



G7 to consider

rescue plan for

FINANCIALTIMES

FISHING

Irish set to face Spanish armada

FT No. 31.477
• THE FINANCIAL TIMES LIMITED 1991

Thursday June 13 1991

D 8523A

Solar storm threatens worldwide disruption

World News

A severe geomagnetic storm, which could damage electrical equipment across the world, is imminent, according to the US Space Sciences Environment Centre in Colorado.

A big salar large accorded A hig solar flare empted from the sum on Monday and sent high energy particles and radiation into space. These are expected to reach the earth over the next 24 to 36 hours

and may disrupt computer and communications links. Third examplion
Thousands of Flighnes and
hundreds of US treeps fied
when Mount Pinatubo, the vol-

cano near the US Clark air base in the northern Philippines, erupted for the third time in a week. Scientists expect a more devastating eruption soon. The volcano had been dormant for 600

Walcan threatens force. Lech Walcas, the Polish president, said he was prepared to use force to prevent anarchy and would consider ruling by decree should the need arise.

East German recovery. Eastern Germany's economic depression is likely to bottom out before the end of the year according to a report by research institutes in Berlin and Kiel Page 3

Israel needs \$18bn Israel will need up to \$18bn in aid and loans from the US and Europe over the next five years to finance Soviet Jewish immigration, Mr Yilkhak Model, the finance minister,

N-trigger conviction Two company ensemives were convicted in Lendon of attempting to expert to Iraq electrical canacitaes which could be used as triggers for nuclear bookles. The judge said the crime "could have had on rifile consequences not only for the Middle East but per-baps for the world. Page 6

Army protest About 7,000 people merched through Abulian, the Ivory Coast carital, demanding an inquiry into alleged student deaths. Student leaders claim that four people died in an army raid on student hostels.

Nearly 600 Albanians drifting off Italy on off-drum raits were rescued and brought ashore at Brindisi

Skiing carb urged The European Parliament appealed for action to curtail the skiing season to save the Alps from being trodden to

Indian voters stay home Congress party hopes for a surge of sympathy votes for assassinated leader Rajiv Gandhi were dampened as officials reported a low early turn-out when India resumed criti-cal elections delayed by his

Mother Teress in Iraq Mother Teresa, the Roman Catholic non who has devoted her life to helping the world's poor, has begun a visit to has to see how she can help deprived families.

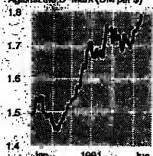
Famine aid res Food aid convoys have started moving again from the Ethio-pian port of Asab. Famine aid routes had been disrapted for three weeks because of fighting which brought the Ethiopian People's Revolutionary Democratic Front to power in the capital, Addis Ababa.

Ex-president jailed Bangiadeah's former president, Hossain Mohammad Ershad was sentenced to 10 years' jail for keeping firearms illegally.

Switch to capitalist democracy could cost west \$35bn a year **Dollar surges** in Landon on recovery

THE DOLLAR reached its

Against the D-Mark (DM per \$)



ARTURO FERRUZZI, new chairman of the family com-pany controlling Italy's Ferruzzi-Montedison group, reassured workers and shareholders after Raul Gardini was ousied on Tuesday, Page 19; Lead player written out of drama, Page

operator of the Vodafone cellu-lar network; but scrapped plans for a management buy-out of the remaining busi-nesses. Flotation of security subsidiary Racal Chubb is post-round Page 18: Let poned. Page 19; Lex. Page 18

UK TRADE secretary Peter Lilley outlined a shift in the British government's stance on UK acquisitions by foreign

sales to cut borrowings of

A2540m. Page 21 AMERICAN Stock Exchange asked Securities and Exchange Commission approval for its plan to let listed companies create multiple classes of stock with unequal voting rights.

Page 20 INPARL will have to raise up

next five years to pay for ______ Soviet Jewish immigration. BERISFORD International,

JIK property and commodities group virtually bankrupt n year ago, is making good prog-ress, chairman John Sclater said, and debt was cut substantially in the year to March 31.
Page 20; Lex, Page 18

NEDILOYD, Dutch shipping and energy group, is salling its remaining 40 per cent in Dutch charter atriline Transa-via to KLM Royal Dutch Airlines. Page 20

SD-SCICON, troubled UK com-pating company fighting a Cray Electronics bid, has changed tactics and is looking for a "white knight" after rejecting a \$116m (\$197m) counter-offer from EDS of the

of optimism

highest London close this year amid hopes that US economic recovery membe underway. In London, Bricosed 2 piennigs higher at Dist. 7320 and almost Y1 up at 3341.90. The dollar index rose 3.4 to 68. Sterling



Jan 1991 Jun

ended weaker against the dol-lar at \$1.8455 compared with \$1.5720. Currencies, Page 36.

RACAL Electronics of the UK detailed demerger proposals for its Racal Telecom arm,

on UK acquisitions by foreign state controlled companies. Page 18. Background, Page 7. Editorial comment, Page 18 UK TRADE deficit estimate for the first quarter was dou-bled after a sharp deep in the invisible trade surplus. The government revised the deficit upwards to £2.50bn (\$4.4bn) from £1.32bm. Page 7; Lex. Page

PETERSVILLE Sleigh, associate of Australia's Adelaide Steamship group, told share holders it plans to raise A\$150m (\$113.6m) from asset

SWISS watchmaker Société Suisse de Microélectronique dividend for the fifth year run-ning after boosting consoli-dated earnings by 9 per cent to SFr19im (\$126.5m).

to \$16bn in aid and loans from the US and Europe over the

US. Page 19

Soviet economy By John Lloyd in Moscow

THE SOVIET and US presidents will in the next few days be presented with a plan aimed at integrating the Soviet Union into the world economy.

The plan, designed to attract western aid of \$200n.\$350n a year, is to be presented at the summit of the Group of Seven industrial countries in London

next month.

It is bound to be controversial. While Germany will be supportive, the US is notably

supportive, the US is notably unwilling to consider assistance on this scale.

The details of the plan make it clear that it would initiate a massive and rapid transformation of both economy and society on a scale as large as that ushered in by the Marshall Plan in Europe after the Second World War, or by the 1917 Russian Revolution itself.

The plan has been drawn up by a joint Soviet US team over the past three weeks at the

the past three weeks at the Kennedy School of Govern-ment at Harvard University under the leadership of Mr Grigory Yaviinsky, the radical Soviet economist and former Russian deputy prima minis-ter. Mr Yavlinsky is working with the approval of Mr Mik-hail Gorbachev and Mr Boris Yeltsin, but is not an official representative of the Soviet government, Mr Yavlinsky, with Professor

Mr Yavlinsky, with Professor Graham Allison, the Harvard political acientist who has led the US involvement, expect to present the programme jointly to President George Bush this week. Mr Yavlinsky will then return to Moscow to present it to President Mikhail Gorba-chev.

to President Miknau Goroschev.

Over the following week, the ison presidents will be invited to suggest changes to the plan, with the aim of getting a document on which they can broadly agree. If approved, it will then go to the other heads of the Group of Seven leading industrial nations at the end of this month for consideration this mouth for consideration before the G7 meeting in London on July 15-17.

The plan is divided into two main phases, for both of which

western ald will be available only if steady progress is made by the Soviet anthorities on the economic and democratic fronts. The first phase, lasting

Phase 1:

Lasting about 2½ years, would see the USSR granted associate membership of the IMF and the World Bird. This would open the ways western sid of between \$20bir \$35bn a year.

Accompanied by Accompanie of the rouble towards convertibility

further moves to decontrol prices

small scale privateation
squeeze on the vast budget deficit

aid, around \$20bn a year, world see used to import the and support the unemployed
a union agreement

YAVLINSKY PLAN

a union agreement
 fulfilment of piedoes to hold elections including the second secon

bership of the International Monetary Fund and the World Bank, the two main agencies for implementing and monitoring the plan.
Western aid of \$20bn-\$35hn would be drawn largely from major western governments but with a significant amount planned to come from western banks.

about 2% years, would see the USSR granted associate mem-

The figures are a suggested range, subject to negotiations between the Soviet government on one hand and the IMF, World Bank and western governments on the other

world Bank and western governments on the other.

The report says the early years of the programme would require sums hear the higher end of the range, declining as the plans are implemented.

Immediately stage one was initiated, the Soviet government would move to further ment would move to further liberalise prices, to begin small-scale privatisation and to shift the exchange rate of the rouble towards convertibility. At the same time, the gov-ernment would begin a harsh

squeeze on the its budget defi-Towards the end of phase one most price controls should have been removed and the rouble moved a long way towards a rate at which it could be convertible.

in this period, much of the aid - about \$20bn a year would be used to import food and other necessities into a country which would experience a drop in production: some would also be used to support the large rise in the numbers unemployed. The report is careful not to

state specific conditions for the democratisation of the Soviet Union, but it is made repeat-edly clear that assistance is conditional on the pledges to move towards elections and

other democratic reforms.

In particular, the report spells out both that there should be elections by, at the latest, early next year to the Supreme Soviet — although it is not clear if it will say that the Soviet presidency should itself be subject to election. itself be subject to election and that stage two will not proceed unless there is a union agreement, which allows those republics not wishing to be part of it to go their own way and to reach seperate economic agreements with the Soviet Union.

Phase two would begin with full convertibility of the rou-

ble, and would see further ble, and would see further larger scals privatisation and complete removal of price controls. Here, much of the aid would be used to support the rouble as it was subjected to the full rigours of the world financial markets.

The HS experts who have

inancial markets.

The US experts who have been working with Mr Yavlinsky on the programme — who include Professor Allison of the Harvard Kennedy School of Government, Professor Stanley Fischer, the former chief economist at the World Bank, Professor Jeffrey Sachs, the chief fessor Jeffrey Sachs, the chief economic adviser to the Polish government; and Mr Robert Blackwill, former side to Mr Bush on Soviet affairs — be-lieve that the plan has a 50 per cent chance of success with the

Soviet and US presidents. In the wider G7 forum, Ger-many, Italy and France are ambitious reform package with aid. But opposition to generous assistance will come from the US, UK, and Japan.

Two factors are regarded as particularly crucial. First, it is recognised that Mr Gorbachev will find much of the plan very difficult to sell to his government, especially from a position of political weakness.

Action plan: Grigory Yavlinsky (right) and Professor Gra-ham Allison attend a Harvard press conference yesterday However, the Soviet presi dent's return towards radical ism in economic and political life, coupled with the existing alliance with Mr Boris Yeltsin. the leading contender for the Russian presidency, has dis-pelled much of the distrust which had grown in the US, and it is recognised that a new, if fragile, spirit has been estab-

if rague, spirit has been estab-lished.

Talks between nine of the 15
Soviet republics on a new union treaty are said to be near completion.

Second, the plan implicitly assumes a large contribution from Japan. But its authors recognise that this may not be

recognise that this may not be forthcoming unless the issue of the Kurile Islands, which Japan claims from Moscow, is settled in Japan's favour. Professor Fischer said yester-

large sum in exchange for promises. The west would start

At the end of that process, if successful, we will bave extended a lot of aid and we will have a democratic and capitalist country, which is worth a lot of aid."

Russian election, Page 2

Exports to Europe fuel sharp rise in Japanese surplus

By Stefan Wagstyl In Tokyo

JAPAN'S trade surplus last month increased by 35.3 per cent from a year earlier to \$4.2bn, raising fears of renewed international disputes over the country's economic imbalance with the rest of the developed world.

The increase was fuelled by an 80 per cent rise in the surplus with the European Community to \$2.14bn, which

munity to \$2.14hn, which exceeded that with the US for the second month running, according to figures published yesterday by the Finance

Ministry.

Japanese officials are consapanese ornerals are con-csrned about the possible political impact of the rising surplus with Europe following recent criticism of Tokyo's trade practices by, among oth-ers, Mrs Edith Cressoo, the new French prime minister.

Officials are also worried about the increase in the over-all surplus which has occurred in spite of a 20 per cent decline in the surplus with the US to \$1.95bn. The fear is that, if the US economy recovers from recession as expected later this year, it will further boost Jap-

anese exports. The Japan Foreign Trade The Japan Foreign Trade Council, a semi-autonomous government agency, this week raised its forecast surplus for the fiscal year to March 1992 to \$64.9bn, topping last year's figure by \$10.5bn. Some private sector economists think the figure may exceed \$70bn.

According to vesterday's

According to yesterday's report from the Finance Ministry, exports rose 13.3 per cent last month to \$24.4bn, while imports increased just 9.6 per cent to \$20.2bn. The export figure was fuelled by strong demand for cars and electronic continuent from Kurone, and equipment from Europe, and, to a lesser extent, from south-

east Asia.

The rise in imports was beld back by a decline in imports from Europe due to falling sales of paintings and sluggish demand for luxury goods.

Exports to Rurope rose 19.4 per cent to \$4.87bn, while imports from Europe fell 5.2 per cent to \$2.78bn. Exports to the slack US economy were down 1 per cent to \$6.75bn and imports rose 18.2 per cent to imports rose 9.2 per cent to

Exports to sonth-east Asia were up a strong 26.7 per cent to \$3.09bn and imports rose 21 per cent to \$2.62bn. Mr Michael Armacost, the US ambassador to Tokyo, warned in a speech yesterday

Continued on Page 18

Hong Kong conglomerate to buy UK container port

By John Elliott in Hong Kong and Richard Tomkins in London

A HONG KONG conglomerate Rutchison Whampon, headed by entrepreneur Mr Li Kashing, is to buy Britain's big-gest container port for £90m (\$153m).

Hutchison is the majority shareholder in Hongkong International Terminals, the world's biggest privately owned con-tainer port. The Felizstowe deal represents its first port acquisition outside the terri-

tory. The purchase of Felixstowe The purchase of Felixstowe port on the east coast of England marks the first significant inroad by an overseas company into Britain's fast-changing ports industry.

The Felixstowe Dock and Railway Company, which owns most of the port, is being sold by the Peninsular & Oriental Steam Navigation Company, the UK shimping, property and

the UK shipping, property and housebuilding group. Hutchison will also pay £10m to Orient Overseas (Holdings), the Hong Kong shipping group, for the neighbouring Walton Container Terminal. This will

be integrated with P&O's ter-



minals and COH will retain a
25 per cent interest in the combined operation.

Mr Li's move into Europe is
partly prompted by worries
about the future of Hong Kong,
which returns to Chinese rule
in 1997. It is also seen as a logical move for a company which needs to diversify outside a restricted homs base where it already has HK\$10bn (\$1.3bn) invested in port Background, Page 19 MARKETS

operations and is a partner in a planned HK\$7bo terminal.

This is a significant diversification for Mr Li's group which has been looking for port acquisitions overseas for two

Mr John Meredith, managing director of Hongkong Interna-tional Terminals, said yester-day: This is only the start we are looking at other opportunities to Europe." Mr Simon Murray, Hutchi-

son's managing director, said: "It complements our plans for developing container terminal facilities within south-east Asia and China where we are currently studying various investments."

resiments."
Felixitows became Britain's most successful private-sector port in the 1970s when freedom from restrictive trade union practices enabled it to pioneer the container revolution. Recently, deregulation and privatisation of III state owned vatisation of UK state-owned ports have eroded Felixstowe's competitive advantages.

STERLING New York lunchshme: \$1,6445 London: \$1.6455 (1.682) DM2.9475 (2.945) PFr9.8975 (9.9975)

SFr2.52 (2.515) Y233.5 (234.5) commitment to remov-£ index 90.3 (90.6) ing structural barriars New York: Comex Aug \$373.1 (373.9) London: \$371.85 (371.25) N SEA OIL (Argus) Brent Jul

DOLLAR New York lunchtime: DM1 7922 FFx6.078 Y142.025 London: DM1.792 (1.7725) FFr6.075 (6.015) SFr1,532 (1,5135)

FT Ordinary: 1973.3 (-17.8) FT-A All-Share: 1210.86 (-0.8%) New York lunchtime: DJ Ind. Av. Tokyo: Nikkel LONDON MONEY Life long gift future:

STOCK MOICES

FT-SE 108:

2520.2 (-22.4)

EUREKA

EUro

REsearch & business park in Kent at

* Ideally located by M20 junction near Channel Tunnel to link UK and

* First in the area. Good staff and housing if

Ashford

you act now ★ Associated with 3 Universities and based on the Cambridge Science Park

* But also excellent for. campus style general offices: much landscaping, hotel & golf course

nearby

UNITS TO LET

* Britain's No.1 Science Park * 85 companies so far * Largest and still growing * Fledglings to multi-nationals

> * Units from 500 sf to 100,000 sf ★ First class sites available

* Ready for development

* Bar, conference rooms,

squash courts

* Extensive University liaison



CAMBRIDGE SCIENCE PARK

Bidwells. 6 North Street, Ashford Tel: 0233 622580

and the second seconds. The content of the content of the second second

Bidwells Trumpington Road,

Cambridge Tel: 0223 841841

CONTENTS

US polition Bridgeport goes bankrupt - will US-Japan trade remains dogged other chies follow spil? Ghane businessi How the gold industry is being modernised 8
Technologys Electronic tagging keeps dogs on a short leash 8 Aerospace: Hard tiques beightened by the Gulf. war and recession Economic viewpoints-Samuel Brittan on the myth of rising real interest rates.... US husiness: Multiple listings of equity options tace further delays

Oresund: Analysis of the longest road and rail 11-14 bridge in Europe Arts Guide + Reviews : 15 Financial Februses : 20-21 Commercial Law : 18 Ind. Capital Markets ... 27 Laters : 24-22 Commercial Embras : 27 Laters : 28 Commercial Embras : 28 Book Review : 26-25 Editorial Oppmant ... 16 Management ...



Observer ______ 18 -Landon Technology

to open markets.

\$17.95 (-0.025) Chief price changes yesterday: Page 19

Y141.9 (141.1) \$ index 68 (67.5) Tokyo close:Y141.5. US karchtime rates Fed Funds 514 % 3-mo Treesury Bills: yield: 5.723% Long Bend: 9531 yield: 8.534%

2,948.12 (-37.79) S&P Comp 875.78 (-5.27) 24,482.69 (-179.9) 3-month interbank: 115% (114) Sep 8937 (90%)

Russia's

fate is

in the

stars

written

By John Lloyd in Moscow

MRS Tamara Globe, one of the Soviet Union's favourite astrologers, told her readers yesterday morning that the Russian presidential elections would go to a second round run-off between Mr Boris Yeltsin, leader of the Russian parliament, and Mr Nikolai Ryzhkov, the former prime minister. Mr

the former prime minister. Mr Yeltsin would then narrowly win, but would suffer a "catas-

trophe" in early winter. Thus warned, the 105m Rus-

right to vote (or not to vote) for their first president, from the Kamcbatka Peninsula in the Far East to the shores of the Black Sea in the south west.

Early voting was reported heavy everywhere, with voters queuing at the booths, as they

Delors defends federal option for Europe

THE European Community must keep open the "window of opportunity" towards a federal structure provided by the current negotiations on changes to the Treaty of Rome, Mr Jacques Delors, president of the European Commission, and vesterday.

said yesterday. In a vigorous defence of federalism, which he described as the consummate form of "the consummate form of democracy", Mr Delors also insisted thet only one treaty should emerge from the current inter-governmental conference (IGC) on political union.

He was speaking to a debate on political union in the European parliament to advance of the June 28-29 Luxambourg summit of EC leaders, the midpoint in the precariously bel-

point in the precariously bel-anced negotiations on political union and the parallel IGC on economic and monetary union.

"We have to keep the win-dow open" towards federalism, Mr Delors argued, adding that the present Luxembourg presi-dency of the EC had come

round to this view. He insisted that federalism "is not the caricature it is reputed to be" but the most "effective, transparent and tangible (form of democracy", the very opposite of centralisation. It was not a question of mov-Ing fast towards a federal structure for the future European union, but of getting "a already pursues.

pave way for talks on security

Ministers

THE German and Sovict foreign ministers began two days of talks yesterday to prepare a pan-European security conference and discuss possi-ble western economic aid for Moscow, Renter reports from

Bonn. Mr Hans-Dietrich Genscher and his Soviet counterpart Mr Alexander Bessmertnykh planned to focus on next week's meeting in Berlin of foreign ministers from the Conference on Security and Co-operation in Europe (CSCE), officials said.

Their agenda should include possible western aid for Soviet President Mikhail Gorbachev,

who is due to meet leaders of the main industrialised countries at their Group of Seven summit in London next month, the officials added. Bonn, which is grateful to Moscow for facilitating German unification, is keen to arrange an aid package for the Soviet Union, but other G7

According to the husiness daily Handelshlatt, Bonn also plans to extend to west German companies an export credit guarantes acheme for east German companies selling to the Soviet Union.

countries hava expressed

Government sources could not confirm the report, hat said officials were considering several possible ways of help-ing the Soviet Union.



Strike brings air show down to earth

By George Graham in Paris

FRANCE'S air traffic controllers picked the right day to go on strike: the day before the opening of a big bi-annual air show at Le Bourget. Aerospace manufacturers and their freebooting clients were faced with the difficult choice: to come to Paris a day early, or miss today's grand opening — the only day on which the Rafale, the Dassault

prototype fighter streraft, will be exhibited. The few who decided to fly yesterday faced a grave risk. Out of 800 flights due at Roissy-Charles de Gaulle airport, only 200 made it through the air traffic controllers' strike. At Orly South, 60 per cent of flights got through, and at Orly West 40 per cent. Parisians, of course, are

used to this. The last few weeks have seen strikes on buses, metros, railways and airlines. Even the jockeys went on strike last Saturday over increase in the betting Travellers are advised not to

let their blood pressure rise too much: nurses, anaesthe-tists, physiotherapists and

SPAIN'S consumer price index

(CP) rose 0.3 per cent in May from April, leaving Spanish inflation at an annual 6.2 per cent rate, AP-DJ reports from

The government attributed

inflation, a measure of con-sumer prices excluding food

and energy, slipped to an annualised 6.4 per cent from 6.5 per cent in the previous

rate proves persistent

Italy to cut \$130m subsidy

strike in the last few days.
The one positive point is the weather. Usually, the French Open tennis championship at Roland Garros can be relied on to bring rain. This year's championship, except for the men's final, remained dry. Fans attribute this to a strike by the national weather service for the first half of the

The news came as no sur-prise to the market which had targeted a rise between 0.2 per

cent and 0.4 per cent. But analysts suggest the data provide hitle comfort to those looking

for a quick cut in Spanis

interest rates. They said the figures underscore the need for continued tight monetary policy at the risk of pushing the

peseta over its trading limit within the European Exchange Bate Mechanism.

queuing at the booths, as they do on other days for the shops.

Mrs Globa has her sources. Yet a straw poll at Middle School Number 748 in Moscow's Cheryemusbki district in mid-afternoon revealed a surprise. Mr Yeltsin was first choice of those asked, but the second, indeed, the only other, choice, was Mr Vladimir Volfovich Zhirinovsky, leader of the Liberal Democratic Party, and widely derided by Russia's Intsliigentsia as a cross between dictator and clown. between dictator and clown. Spanish annual inflation

Mr Zhirinovsky's television appearances have been one of the main talking points of this campaign, in his early 40s, this little-known lawyer whose tiny party has been dogged with allegations that it is a KGB creation, came across as a super populist-nationalist claiming populist-nationalist claiming he alone lived like the mass of ordinary people in a two-roomed flat, that be alone would protect the rights of Russians everywhere, and would, by fist, end the humilia-tion of Russia and its people.

This little-known lawyer is very much alive, and he hasn't tried and failed like the rest of them...

No doubt this struck a chord in No doubt this struck a cbord in the working class. Mrs Zoya Konovalova, a former worker at a banknote printing plant, called him "houest, he's for a revived Russia, and be's young". Mrs Svetlana Sunova, a worker in an electrical plant, said: "He says he can help us said: "He says he can belp us and, though I don't quite believe him, I think he wants to". For Mr Alexei Negorov, a machinist, he was "very much alive, and he hasn't tried and failed like the rest of them".

But the majority were for Yeltsin, though Mr Jan Kogan, an engineer, said be could not be sure how the Russian leader would fare outside Moscow. Mrs Alexrandra Kurileikova, a computer programmer, said: "Like all the intelligentsia, 1 am for Yeltsin. (Vadim) Bak-atin (the former Interior Minister) is nice, but I don't know him". Mr Vasili Chetverichev. a medical auxiliary in his late 20s, voted for Yeltsin. "Who else is there?"

profits of the previous decade and perhaps halved the indus-try's nondnal equity base," Mr The name of Mr Ryzhkov was not mentioned except to ridicule him: the other two He added, however, that candidates - General Albert investor financing pioneered by Shannon-based GPA was Makashov and Mr Aman Tul-eev - not at all. Mr Mikhail emerging as a significant new source. This involves the sale Gorbachev, when interviewed at his voting booth, said he would work with whomoever to private investor groups of aircraft on lease. Mr Foley said the people chose: Mr Ryzhkov admitted relations between GPA had sold investors 37 aircraft worth \$1bn in the finanhimself and his former close comrade had cooled, but he would find a way to collabo-To help provide a fresh source of funding for financially strapped US airlines, which lost a total of \$5bn last rate; Mr Yeltsin promised "businesslike relations" with the Soviet president, Mr Mikhall Gribinshikov, an year, Mr Jeffrey Shane, assistant secretary at the US Trans-

election organiser in Moscow, predicted a 75 per cent turnout there, and said votes in many districts would be known early this morning. First official results are expected on Mon-day. Mrs Globa's reputation rests in the balance, while Mr Zhirinovsky waits to see bow far demagoguery will take him.

The Financial Times (Europe) Ltd Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Guiodetistrame: 54, 6000 Frankfurt-am-Main 1: Telephone: 669-75980; Fax. 069-72267; Telex. 416193 represented by E. Hügo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Frankfurter: Societaets-Druckerer-GmbH, Frankfurter Societaets-Druckerer-GmbH, Frankfurter Lambert, Frankfurter Times, Number One Southwark Bridge, London SEI 9HL. The Financial Times Ltd., 1991.

Registered office: Number Ose, Southwark Bridge, London SEI 9HL, Company incorporated under the laws of England and Wales, Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial Times Limited, Publishing director: J. Rolley, 168 Rue de Rivoli, 75044 Paris Codex 81, Tel. 401, 4797, RGIL: Ear. 601, 4797, GOL: Ear. No. 7 (1) 427 0621; Fac: (0) 4297 0629. Editor: Richard Lambert Printer: SA Nord Edsir, 15/21 Rue de Caire, 59100 Roubeix Codes: I. ISSN: ISSN: 1148-2753. Commission Paritaire No. 2000.

Financial Times (Scandinava) Vintuel-skafiet 42A, DK-1161 Copenhagen-K., Denmark. Telephone (33) 13 44 41. Fax (33) 935335.

French betting 'aid' freeze

THE European Commission has ordered France to freeze all state payouts to Pari Mutuel Urbain (PMU), the country's only betting chain, a spokes-man said yesterday, Reuter reports from Brussels. The order had been issued to pro-tect PMU's competitors in other countries until Brussels decided if the funds were filegal and should be recovered, he added. The payouts were worth a "not negligible part of

PMU's operating budget".
The deciston follows com-plaints last year by Ladbroke international of the UK. Brussels has opened an inquiry into plans by a consortium of France's Aerospatiale and the Italian aerospace group Alenia to take over the Boeing-controlled De Havilland commuter aircraft maker, because of doubts about the deal's impact on free competi-

clear constitution with simple, vorkable principles". At a meeting of EC foreign

ministers to Dresden on June 2-3, Commission officials say Mr Delors mustered the sup-

Mr Delors mustered the sup-port of eight member states — including Germany — for a preamble to the reformed treaty which kept the federal option open, and for a single treaty. This is one of the big-gest fault lines in the negotia-tion, because the UK and France want a future common foreign and security policy

foreign and security policy (CFSP) to be organised outside

(CFSP) to be organised outside the Treaty of Rome.

Judicial co-operation on ter-rorism, drugs, and immigration will also almost certainly be tackled outside it. This would lead, in the image of Mr Mark Eyskens, the Belgian foreign minister, to a "temple" built on distinct nillars, rather then a

distinct pillars, rather than a "tree", in which the new policy branches would emerge from a

forming the bresden meeting, the Luxembourg presidency is re-drafting its original "compromise", which leaned towards the temple-builders, for review by foreign ministers

Mr Delors said yesterday it was impossible to separate a CFSP from the external sco-

CONTRACTS & TENDERS

PRIVATISATION IN GREECE

INVITATION FOR THE EXPRESSION OF INTEREST IN THE BUY-OUT OF "FINANCIAL MINING INDUSTRIAL AND SHIPPING COMPANY" AND "MACEDONIAN MAGNESITE MINING AND SHIPPING S.A."

controlled entity - and its Financial Advisors for the sale of "Financial Mining, Industrial & Shipping Company" ("Fimisco") and "Macedonion Magnesite Mining Industrial & Shipping S.A." ("Macedonian") (collectively "the Companies"), KIDDER, PEABODY & Co. Inc. (Kidder) and KOURI CAPITAL Greece Ltd. (Kouri), following requests by interested investors, especially investors from abroad, decided to set a new deadline for the submission of binding proposals for the acquisition of the

New deadline: 3:00 pm, July 29, 1991

Finisco is along with its affiliate Macedonian one of the largest mining and manufacturing concerns in Greece, engaged in the mining and refining of Magnesite, the production of refractory bricks and the mining of Chromis ore. The companies' headquarters are in Athens, and the principal places of production are located at Mantoudi of Evia. Ormylia of Chalkidiki and

1985 1989 1990 USS GRD USS GRD USS GRD

36 13,695 98 15,630 92.6 14,823

82 13.181 125 19.978 1556 24.898

0.4 64 0.5

Financ ial Highlights

(in millions, US\$1=160 GRD)

Total Assets

Grass Profit (Loss)

				17,570	1,5530	21,250	
Sales	58	9,239	67 .	10,724	44.2	7,072	
Gross Profit (Lose)	0.3	47	5.2	835	(0.8)	(122)	
Macedonian							
	1988		19	89	1990		
	US \$	GRD	U5\$	GRD	USS	GRD	
Total Assets	9.4	1,499	11.4	1,800	7.6	1,221	
Total Debr	9.8	1,573	14	2,211	113	1,316	
Sales	8.8	1.402	10.6	1,701	6.2	- 989	

Privatisation Procedure The privatisation process is a selective and controlled auction, involving

three distinct phrases: 1. Initially, interested investors could request the confidential Offering

Memoranda from Kidder or Kouri. 2. In the second stage, investors expressing formal interest in the acquisition of the Companies, and after executing a Confidentiality Agreement, will

be given access to further information, the management and the facilities of the Companies. 3. A limited number of investors participating in this stage will be asked to

submit to Kidder and Kouri by 3:00 pm on July 29th, 1991, definitive binding proposals for the acquisition of the shareholdings of the LR.O. to

Firm offers submitted will be reviewed and evaluated by the I.R.O., Kidder

The I.R.O. reserves the right to invite investors to submit improved offers, to reject all offers submitted, or to modify the acquisition procedure, should this be to the interest of the I.R.O. or of the Companies. Bids either for both the companies or for each one separately, will be entensined.

For the Offering Memorandum, as well as for further information on the proposed sale procedure and the timetable, interested investors should

Kouri CAPITAL Greece Ltd. Kidder, Peabody & Co. Inc Tel: 30-1-684 6618 30-1-684 6205

Kifissias 294, 152 32 Halandri 10, Hanover Sq., New York, N.Y 10005 tel (212) 510 4206, fax (212) 558-6811 Attas Mr. Chris Parlides

Fax: 30-1-683 0892 Attn: Dr. Anthony P. Zioudes

Strasbourg stunned by Crespo karma

THE European Parliament, often dismissed as the moth-er-in-law of parliaments and imquestionably the poor rela-tion of the EC's institutions, has received a cosmic shot in the arm in its bid to add to its limited legislative powers.
Just a fortnight before the

Just a fortnight before the
Luxembourg summit - where
the assembly's demand for "codecision" rights with the European Council will be examined
- its position has been fortified by an unexpected ally.
Mr Sri Chinmoy, an Indian
mystic who monitors the spiritual power of world leaders,
has decided after careful scrutiny that Mr Enrique Baron
Cresno, the Spanish socialist Crespo, the Spanish socialist who presides over the parlia-ment, is the "embodiment" of

"power" and "confidence". Eurocrats and EC-watchers - not to mention socialist MEPs and Strasbourg officials, who regard his presidency as who regard his presidency as an unmitigated disaster in furan unmitigated disaster in fur-thering the parliament's cause. Not so Sri Chinmoy, who Mr Chinmoy's devotional ditty.

emerged radiant from an audience with Mr Baron this week, and pronounced the former transport minister to be "Europe'a fastest vision-train" He immediately presented the expectant press with a poem, set to music, extelling the virtues of the diminutive president. Titled "President

Crespo: beert, mind and life en-lightenment", it goes like this: "President Crespo, President, European Parliament. Heart, mind and life-enlightenment. Confidence power embodiment. Colossal pride of Spain. Europe's fastest vision-train." (Sing once with repeats, once without, then triumphant chorus: "President, European Parliament" with repeat)

Set at five beats to the bar, it

is more dirge than stirring finale. Mr Baron's tenure does, after all, run out early next year. But mystic insight is not that easily dismissed, and all eyes will be on Europe's lead-

Greece to expel PLO officials

GREECE WILL expel six PLO officials holding diplomatic rank and 20 other Palestinians it says are connected to an hombing on April 19 that killed seven people, police said yesterday, AP reports from the increase to buoyant food and bousing costs and was careful to note that underlying The diplomats from the Pal-

has the status of an embassy has the status of an embassy, have been given eight days to leave. The other 20, identified as students and workers, are all under arrest. They will he expelled within 15 days.

The blast in the southern port of Patras killed a Palestinian student and six Greeks. Police said 26-year-old Ahmed Al Hashikeh, a student at Patras University, was leaving a building with a 261b bomb a building with a 261b bomb intended for the office of a

estine Liberation Organisa-tion, whose mission in Greece

British diplomat when it exploded prematurely. Two weeks later, five Pales-tinians were charged to con-nection with the blast and police said they had uncovered an Arab terrorist network operating in Greece.

ITALY, buckling under pressure from the European Commission, has agreed to slash millions of dollars from subsidies promised to Texas Instruments, the US electron-

ics group, Reuter reports from European Commission officials said yesterday that Rome planned to cut more than \$21m

from payouts originally worth Texas Instruments is receiv-ing the money for a large

investment it plans in the impoverished region of Abrazzo, south of Rome. The Community's executive wants Rome to reduce its share of the

Sir Leon Brittan, the compolicy, has given Rome until June 20 to prove it has reduced Commission's sweeping powers to challenge the payment if the deadline was not met, the offi-cials added.

Banker casts doubt on the ability of the industry to raise the necessary finance

Airlines face problem paying for aircraft

EXPORT financing will play an important role in the funding of aircraft sales expected to total about \$450hn the next 10 years, Mr Antoine Jeancourt-Galignani, chairman of France's Banque Indosuez, told a Financial Times conference on commercial aviation yester-

day.
The revival of export financing for aircraft sales, coupled with the return of other more ssical forms of capital financing, is a reflection of the pro-found crisis in the airlins industry and the increasingly cautious approach adopted by the world banking industry.

When times are more diffi-

cult, access to credit less easy and competition among lenders smaller, some classical solutions come back to help satisfy the airlines' funding needs," Mr Jeancourt-Galignani said. "The first one is export financ-ing made available to airlines by commercial banks with support of government agencies It had a number of con-straints, he said, including limited maturities of 10-12 years and limited repayment flexibil-ities, but it had the merit of ding a substantial part of credit risk exposure with export credit insurers.

Mr Jeancourt-Galignani also expected an increase in risk sharing agreements between banks and manufacturers of airframes and engines, as well







Banker Antoine Jeancourt-Galignani (left) and GPA chief executive Maurice Foley (centre) wonder where world's atrlines will find the money. Mr Ralph Willis, Australia's finance minister, is looking for investors in Qantas Mr Maurice Foley, chief Jeancourt-Galignani. "What is

ancing techniques were unlikely to he sufficient to finance the huge backlog of new aircraft orders over the next 45 years.
This grim forecast reflected

the dire financial crisis in an airline industry hit by the Gulf war, economic recession, and the increasing disenchantment of banks for aircraft financing. The fundamental problem remained the industry's structurally low profitability. Airlines urgently needed to improve their balance sheets to snabls them to turn to the equity markets to help finance their huge long-term capital

purchases.

However, be warned that traditional and innovative finlesding alreraft leasing company, said that the past year

CONFERENCE

Aerospace

had been the most difficult yet for airlines.
"The primary challenge in the 1990s will be to secure finance for the aircraft that are need," he said, echoing Mr

not clear is where the money will come from, given that air-line net profit margins have only averaged a fraction over 1 per cent for the last 20 years and that the industry has rarely achieved the 5 per cent net profit margins needed to self-finance fleet replacement and growth."

GPA reckoned that airlines at best would manage to fund directly about 40 per cent of the \$450km needed for new air-craft through a combination of cash flow, new debt, new

equity and equipment sales.

"Even this 40 per cent has been put in jeopardy by the huge losses currently being run up - losses which in a mere 12 months have probably wiped out the accumulated

opening up the capital of the country's airlines to foreign A proposal was being put before Congress to raise to 49 per cent from 25 the amount of voting stock foreign investors could hold in a US carrier. This would not only help inject more funds into the industry

cial year to last March.

port Department, confirmed Washington's intentions of

but also help US airlines form partnership and co-operation agreements with other international carriers.
Mr Shane said US airlines

had "a tremendous need for capital" — about \$21.1bm a year over the next 10 years. According to recent studies; only about \$9.5bn a year was likely to be obtained from traditional

Qantas says Northwest may take a stake

By Paul Betts, Aerospace Correspondent, in Paris

for a stake in Qantas, the Anstralian international airline which is to be partially privatised over the next 12 months.

NORTHWEST Airlines, the US Quantas chairman, coincides estimates of around A\$1bn. carrier with extensive routes with the start of a tour of Quantas is also talking across the Pacific, has world capitals by Mr Balph emerged as a potential bidder Willis, the Australian finance minister, to gauge interna-tional interest in the plan to sell 49 per cent of the airline. ised over the next 12 months. This is now expected to raise This news, confirmed in about A\$500m (£225m), Parls by Mr William Dix, against original government ing restructuring programme,

Quntas is also talking to Japan Air Lines (JAL) and Singapore Airlines about their taking a stake. The Australian government is ready to sell up to 25 per cent to foreign inves-

Qantes has begun a sweep-

which Mr Dix said would mean the loss of 3,500 jobs, enabling the airline to compete more efficiently against lower cost Asian carriers. If successful, the restructuring is expected to make the company more attractive to reluctant

Airline analysts expect the

greatest interest in the Quatas sale to come from Japan, espe-cially from JAL which already has close ties with the Austra-British Airways and Luft-

hansa were once regarded as potential hidders. But the crisis in the industry this year is

East German economic decline slowing the east

-7-

2 120

east Germany will probably bottom out in the second half of this year, according to a government-spon-sored report by research insti-tutes in Berlin and Kiel. Industrial output by then is likely to be 75 per cent lower. than in the first half of last

The study coincides with growing evidence that invest-ment in east Germany is slowly picking up as a result of massive cash transfers from

try, meanwhile, reported yes-terday that manufacturing pro-duction in the east of the country fell a further 24 per cent in February. This compares with 24 per cent the previous month.

The Vereinigte Energiewerke, the east German electric-ity generating combine backed by west Germany's three larg-est utilities, said yesterday in Berlin that it would invest DM40bn (£13.5bn) over the next 10-15 years in modernising power stations.

At the same time, an important industrial restructuring in south-western east-Germany was announced with a decision by the state (Land) govern—that real incoment of Thuringia to take over—tise this year.

By William Dawkins in Paris

FINAL agreement is expected

in the next six months on forming a German-led consor-

tium of European electricity:

companies to modernise east Germany's power network. Electricité de France (EdF), the French state owned utility and leader of the non-German

part of the consortium, yester-day said an important stumb-

ling block had been overcome.

Germany's three main elec-tricity companies are to take a

stake of up to 25 per cent in

in't intel 12

the stringgling Zelss Jena opti-cal works.

For years one of the few industrial flagships of the com-munist East German state, Zelss Jena, has been threat-ened with bankruptcy for months. Mr Josef Duchar, the Landle Christian Damocrat Land's Christian Democrat

ment'e rhetoric abont wage

rises east of the Ribe. It claims that nominal increases in east

German incomes are being can-celled out by price rises of about 10 per cent per year, so that real incomes will barely

France'e newest nuclear reac-

tor. In return, EdF will take a 7.5

per cent stake in the consor-tium due to take over electric-

ity output and distribution in

Elektra and Bayernwerke.

Agreement closer on

power consortium

German consumers, west German food retailers are ordering a growing amount of east-ern products for their outlets prime minister, said yesterday there was no alternative to there was no alternative to state ownership.

Mr Lothar Spath former premier of Baden-Wirttemberg in west Germany, who resigned at the beginning of the year in a scandal over his links with industry, is expected to become chairman. He has said he would only take on the job if the Treithand made enough cash available for the company's future. Zeiss and the Thuringia government are seeking roughly DM3bn to help with restructuring plane, including costs associated with the need for large lay-offs.

A further economic report on east Germany, from the Hamburg institute, questions a fundamental part of the government's rhetoric about wage

ern products for their uniteds in east Germany.

They originally refused to buy from east German suppli-ers, even bringing in milk and bread hundreds of kilometres by truck from the west.

Shoppers in the east, who craved western foods after monetary union last July.

Consumer

rediscovers

EAST GERMAN food products

have staged a remarkable comeback after being shunned

by local shoppers and boycot-ted by west German supermar-ket chains.

Under pressure from east

taste for

monetary union last July, gradually discovered that local products were often just as good and sometimes even bet-

Poor packaging was an important reason why they were abandoned by consumers who believed everything from the west was automatically A growing amount of local produce is also being sold which previously had to be brought in from the west at

hrought in from the west at higher cost to the retailer.

One supermarket manager said about 25 per cent of turn-over was now made up of east-ern products which kept their brand names but were other-wise indistinguishable from

western ones.

Spar, a leading west German retailer east of the Elbe river, said a third of its turnover in the east now consisted of east German food. Other west German retailers, such as Edeka, Rewe and Tengelmann, said their buyers were increasingly ordering from east German ordering from east German

KaDeWe, a leading west Berlin department store with an entire floor devoted to food, ran advertisements in the newspapers yesterday for east German specialties such as sausages from Thuringia and Halberstadt, white wines from Meissen and liver from "Brandenburg calves".

A spokesman for the department of the same statement of the same st

Another 7.5 per cent is scheduled to go to Powergen of the UK, Electrabel of Belgium, Endesa of Spain and possibly Enel of Italy. That would leave control of the cent forman ment store said response was enormous from west Berliners control of the east German industry with RWE, Preussen who were eager to buy food from the surrounding area.



Mitterrand: proposing a flexible structure

Mitterrand clarifies scheme for grand European confederation

President François Mitterrand of France eaid yesterday his idea of a grand European conidea of federation was designed simply to give newly democratic east-ern states a place to talk as equals with the west, Reuter reports from Paris.

He denied it was a ploy to keep eastern Europe out of the European Community or to make the countries choose between Europe and the US for partnership and protection. In an interview with Radio France Internationale, the president said he was not proposing a rigid structure from the Atlantic to the Urals, as

Mr Mitterrand'e idea under discussion in Prague at a conference of politicians, industrialists and strategists which began yesterday - has

sparked some criticism in Europe and the US. But the president said the confederation would be no more than a framework to allow new democracies to "debate with their partners in the west in a situation of equal dignity". He said former com-munist states were simply not ready to join the EC. Their

economies were in poor shape and they would be devoured. Countries such as Poland Czechoslovakia end Hungary would be et a disadvantage if they bad to "deal on their own" with an EC "colossus" of

340m people. But a confederation with e permanent secretariat and regular ministerial meetings would let Europeans "deal in common with what they have m common". He gave as examnications.

Mr Mitterrand is due to deliver a closing speech to the

Ministers take steps to curb EC nitrate pollution

ACTION TO curb pollution of drinking water, rivers and coasts by nitrates from manure and chemical fertilisers could be agreed by European Com-munity environment ministers in Luxembourg today and

morrow.

Approval of the draft directive would particularly affect countries like the Netherlands, Spain, Denmark and France, which have manure problems from large-scale pig farming.

Britain, too, will be affected, particularly in East Anglia, where the intensive use of chemical fertilisers has raised nitrate levels in drinking

Among other things, the directive proposes defining vul-nerabla areas where there would be a mandatory limit on nitrate levels. This limit would be 50ppm, Mr David Trippier, the UK environment minister, said yesterday. Exceeding this

level would render offenders liable to fines of £2,000 to £20,000 under the UK Environ-mental Protection Act.

Mr Trippier said that at least
1.7m hectares in Britain could
come under "vulnerable
zones", nearly a fifth the total
of agricultural land in England
and Wales. The National Farmare Union puts the flavor at 3m ers Union puts the figure at 3m

How much manure farmers are allowed to put on the land

in vulnerable zones is likely to be a matter of dispute among ministers at Luxembourg. The European Commission wants a The meeting is expected to limit of 170kg of nitrogen compounds per hectare a year.
This could mean big reductions
in the Netherlands and Denmark, where farmers in some tally "clean" products.
The UK will also raise the

regions use more than 300kg per hectare. There is also likely to be conmake progress on measures to protect wildlife babitats and the creation of an EC eco-labelling scheme for environmen-

question of the size of Commnnity countries' contributions to the United Nations environment fund. Britain is one of the biggest contributors, well ahead of France.

last March it was going to give

\$700m to state-owned Cie des Machines Bull, which made

1990. It also promised \$350m

dollars to Thomson.

The officials said Sir Leon, renowned for his hard line on

subsidies, would have to fight

But they said he was likely

to overcome opposition from some of his fellow commission-

Parliamentary staff strike

ABOUT 1,000 European parliament staff mambars staged a one-hour strike yesterday to protest against a plan to cut EC salaries, AP reports

from Strasbourg.
Staff at all EC institutions also plan to strike next Monday and Tuesday, in a move that could interfere with a meeting of the 12 EC foreign ministers in Luxembourg.

Parliament staff members

said yesterday's strike was a warming to the EC Council of Ministers, which is negotiating a wage peckage with four unions representing nearly all the EC's 25,000 workers. Mr Philippe Grass, a member of the committee of EC

union leaders, said the objective was to demonstrate the workers' strength. The unions' current contract expires on July 31.
The council has not yet made a formal wage offer. But

officials sources said most EC governments – led by Britain, Germany and the Netherlands - wanted to cut salaries by ending eutomatic cost-of-living increases contained in the current contract,

The governments contend that these increases have pushed salaries beyond a reasonable level. The unions, supported by the EC executive commission and

parliament, want to renew the old contract. Union leaders said it guaran-teed EC functionaries fair sala-ries, in line with wages paid to civil servants in EC national

governments.
They said they might call a general strike later this year if the council insisted on the

The 518-seat parliamentary assembly, holding its monthly plenary session this week, went on with its work despite

outside the meeting hall. Union officials said they hoped the strike on Monday and Tuesday would force the foreign ministers to take notice

of their demands.

An absence of interpreters and other staff could disrupt the ministerial session or force its postponement, officials said. Mr Takis Calinoglou, a mem-ber of the union committee, said: "Only drastic action can

produce tangible results."
Next week's action will involve staff in Brussels, Luxembourg and Strasbourg, union officials said.
The dispute ends 10 years of peace between the council and EC mions.

BC functionaries last went

on strike in 1980. All staff initially walked ont for three days, and then different groups of workers took turns striking for the rest of the year.

Brittan to challenge French subsidies plan

SIR Leon Brittan, European commissioner, is set to chal-lenge France's plan to pump more than \$1bn of state funds into electronics and computer groups Thomson and Bull, commission officials said yes-terday, Renter reports from

Sir Leon, in charge of state aid policy at the European Community's executive com-mission, will ask his colleagues next week for backing to open an official inquiry on the grounds that the payouts could

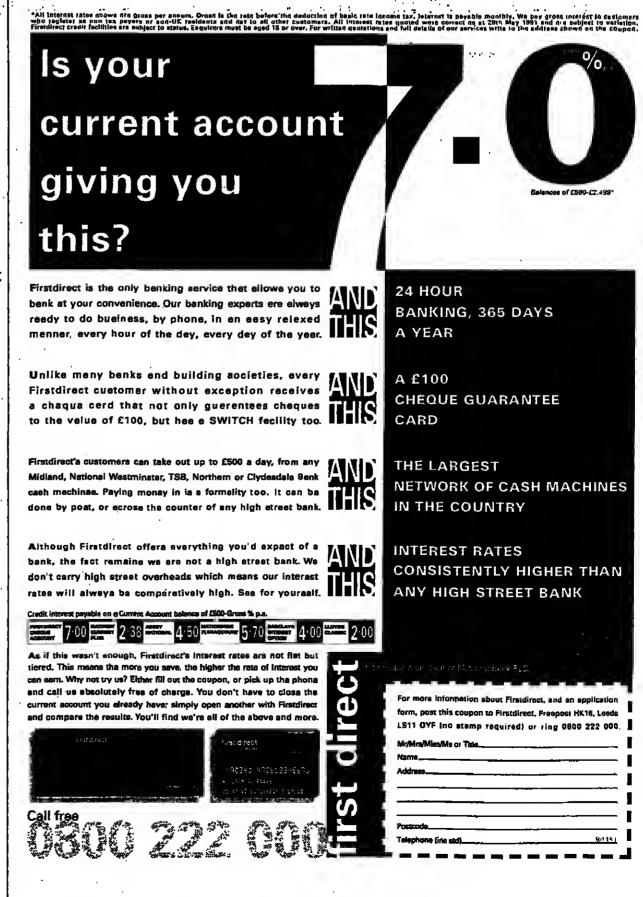
be illegal. The move is likely to eet Paris and Brussels on a collision course over the right to subsidise industry. After a two-year dispute Sir Leon forced France last July to recover more than \$1bn in subsidies to Renault, the carmaker.

The French government said

to have his way on the opening of the inquiry, even if he had to wait another week to rally Under EC state aid rules the commission can block handouts of state funds if it believes

they give companies an unfair edge on rivals. It can also force governments to recoup any money handed over if it reaches such





Violence suppressed in Indian election

INTERNATIONAL NEWS

HEAVY security precantions curtailed the level of violence yesterday on the second day of

polling in India's general elec-But in the northern state of

Bihar at least eight people were killed in clashes at five

were killed in clashes at five polling stations and there were 28 officially reported incidents of polling booths being seized by armed gangs.

Voting in the other 13 states that went to the polls yesterday was largely peaceful. Turnont was relatively low by Indian standards with the main exception of the southern

main exception of the southern state of Kerala where 63 per cent of the electorate voted.

in the southern state of Karnataka only 50 per cent of voters had gone to the polls by late afternoon compared with a turnout of 67 per cent in the 1989 elections. The low to moderate turnout occurred

although monsoon rains held off during the day.

Most of the deaths in Bihar occurred either in exchanges of fire hetween armed party workers or in a bomb hlast. A farther 12 work in introduction of the state of t

further 12 were injured, including e polling officer.
The violence is none the less

well below the level of the first day of polling on May 20 when as many as 100 people are now believed to have been killed. The largest number of deaths

occurred at Meerut, a town north of Delhi where there was

serious rioting between Hindus

Volcano

By Greg Hutchinson in Manila

A PHILIPPINE volcano exploded violently in a huge mushroom cloud of ash and steam yesterday, prompting residents of a city of 300,000 to flee, and disabling one of the

most important US overseas

down in the foreseeable

future" at Clark Air Base.

Kerin reaffirms fight to keep inflation low

views with leading national newspapers and broadcasting stations. Mr Kerin reaffirmed the government's inflation target of 4 per cent in 1991-92. He

Labor leader, was "well within our grasp for 1991-92 and beyond, if we stick to our task. We are now in a new situation, and we believe it would be madness to throw away the gains that we made on the inflation and interest rate

seek ban on

TAIWAN legislators, accusing Washington of refusing to sell advanced fighter jets to the country, have urged their government to bar US companies from bidding for hillions of dollars, in contracts. Bentar

rom binding for minons of di-lars in contracts. Renter reports from Taipei.

Mr Ting Shou-chung, a rul-ing Nationalist party MP, said 54 legislators had petitioned Mr Hau Pei-tsun, the prime minis-ter, to exclude US companies

from public works projects.
"We should har the US from

bidding for our six-year

national development plan hecause China has bought

SU-27 fighters from the Soviet

Union, but the US continues to

ignore our air defence needs.

China, which has been improving links with Moscow,

recently agreed to huy a num-ber of sophisticated SU-27 Soviet fighters, diplomats in

Mr Ting and military analysts in Taiwan said the island

has tried without success to purchase General Dynamics

F-16 fighters from the US,

which has supplied less sophis-ticated jets to Taipel. Taiwan plans to spend about \$300bn on infrastructure projects between 1991 and 1996.

By Francia Ghilès in Algiers

A WEEK after the riots in

which at least six people were killed in Algiers, the army and security forces are maintaining

a countrywide crackdown on

A weapons search is aimed

at counteracting an effective . breakdown of the law in north

Africa's largest country following the previously tolerant attitude of the government towards the Islamic Salvation Front (FIS), which last year

won a majority in local coun-clls in the country'e first

Workers in state companies

who had followed a call by the FIS epokesman, Mr Abassi

Madani, to strike three weeks ago have been sacked. Many demonstrations to get them

multi-party elections.

Islamic militants.

Algeria maintains its

crackdown on militants

US bids



Kerin: sacred sites

Rafsanjani warns on plight of Iraqi Shias By Our Foreign Staff

IRANIAN President Hashemi Rafsanjani warned yesterday that his country could not remain indifferent to the fate of Shia Moslam refugees which Tehran claims the Iraqi army may be poised to massacre.

There has been no independent confirmation of Tehran's claims on Tuesday that Iraqi had carried out air strikes

claims on Tuesday that Iraq had carried out air strikes against almost 1m Shia refugees fleeing to Iran, and that 100,000 Iraqi troops were poised for an air and amphiblous assault against them. Baghdad denied the allegations.

In Geneva, however, Mr Javier Pérez de Cuéllar, United Nations Secretary General.

Nations Secretary General, expressed concern at the reports and said the world body would consider setting up campe for the refugees in southern Iraq if necessary. He said the mandate of Prince Sadruddin Aga Khan, the UN humanitarian envoy for the Gulf, covered the whole of Iraq, adding. "Therefore, we are obviously looking at this problem, in addition to problems in the north (of Iraq) and to the question of the (UN) guards whose numbers we are trained to increase."

guards whose numbers we are trying to increase."

Shias, predominant in Iran, also make up more than half the Iraqi population but are largely exclinded from power by President Saddam Hussein's Sunni-run Baath party.

Any confirmation of Iraqi aggression in the south would be likely to scupper the country's tentative efforts to end its diplomatic isolation. Mr Tariq

diplomatic isolation. Mr Tariq Aziz, deputy prime minister, in Aziz, deputy prime minister, in Ankara yesterday for talks with Turkish President Turgut Ozai, spoke of its "desire to further our relations by protecting joint interests and adhering to the principle of non-intervention in internal affairs."

military bases.

Mr Nicholas Platt, US ambassador to Manila, seld he believed "air operations will be A seven-man delegation headed by Mr Saadi Mehdi Saleh, speaker of the Iraqi national assembly and close associate of Mr Saddam, is due to attend a "Euro-Arab peace dialogue" due to start in Brussels today. Socialist leaders in the European Parliament the European Parliament expressed disquiet over the Strasbourg assembly's decision to invite the delegation.

At the UN late on Tuesday, Iraq bowed to a Security Council demend by condemning cil demand hy condemning international terrorism "in all

Because Clark is in the shadow of the now-ferocious volcano and the base was to have a life as a US facility of at have a life as a US facility of at best seven more years because of Philippine nationalist qualms, the ambassador's statement yesterday - Philippine independence day - raises the question whether the Americans will want to remain. The issue has important implications for security in Asia and for Philippine economic prosperity.

nomic prosperity. Clark, 60km north of Manila, helps the US project its mili-

tary power into sonth-east Asia, the Indian Ocean and beyond to the Gulf. With its thousands of American person-nel and tens of thousands of Philippine employees, Clark pumps hundreds of millions of dollars each year into the local

Subsequently Mr TN Seshan, the election commissioner, can-

celled the elections in Meerut

and four other constituencies in Uttar Pradesh and Bihar. Mr

Seshan said last night thet with the exception of Bihar, polling yesterday had been "by and large extremely satisfac-

An opinion poll published

economy.
Washington also pays hundreds of millions of dollars more a year to the Philippines as compensation for the use of

Clark.

Mr Platt said there was a danger that the facility might be engulfed by a hot ash flow of 800 deg C cascading from the volcano at what he called "the speed of an avalanche" and incinerating "everything in its rath"

"Now, the only reason we are concerned about this is because this is what came out of the mountain 630 years ago, and the flow at that time reached what is now Clark," he

Mr Raymundo Punongbayan,

distance from the volcano to Clark and Angeles, the city of 300,000 that people fied yesterday in panic.

Mr Punongbayan said more violent volcanic activity could be expected and Mount Pinatubo could remain active for

months or years. A statement yesterday from the Nuclear-Free Philippines

Veiled Moslem women wait to vote in Murad Nagar in Uttar Pradesh yesterday

yesterday suggested that the Congress Party would benefit from a strong sympathy vote as a result of Mr Rajiv Gandhi's death. The poll, conducted by the organisation Marg for The Times of India newspaper, suggested that Congress might even obtain a simple majority of seats in the new parliament.

of seats in the new parliament. The opinion poll also found that Mrs Sonia Gandhi was the

disables Clark Air Base

the government's chief volcano expert, reported fast-moving pyroclastic flows extending up

to nine miles in various direc-tions. This is little short of the

Coalition warned that nuclear weepons it said are stored at Clark could spread radiation over a wide area if hit by molten rock from Mount Pinatubo. A US official denied there was any threat of ash and lava from the volcano damaging weapons at the base that he neither confirmed nor denied included a nuclear arsenal Television pictures showed people fleeing the volcano's fury by car, buffalo cart and on

foot. Many had scarves and towels wrapped around their heads as protection from a hliz-zard of white ash, stones and A region 36 miles in diame-

most popular choice as a

future prime minister, backed by 34 per cent of those asked

oy 34 per cent in Mose assetu against 17 per cent for Mr VP Singh, a former prime minister and 14 per cent for Mr PV Nar-asimha Rao, the new Congress

The final round of polling

will take place on Saturday

when voters in 196 constituen-

ter was plunged into near-darkness for hours during the day. Cars, trucks and buses could be seen streaming towards safety with headlights on full President Corazon Aquino

made a flying visit to the trou-bled region, visiting evacuation centres now overflowing with refugees. Later, she told an independence day crowd everything possible was being done to save lives and property in the rich agricultural region affected by the volcano.

The area had increasingly been industrialising. The US was considering a joint-use proposal that could have

speeded up the airport's development for civilian use, but such a prospect is now in

MR JOHN KERIN, Australia's new Treasurer, yesterday sought to drive bome his commitment to the low inflation, tight budget policies of the Labor government.

in well-orchestrated interalso foreshadowed more spend-ing cuts to achieve a A\$4bn (\$3bn) deficit for 1991-92. He said that the 4 per cent

inflation target announced by his predecessor, Mr Paul Keating, on the day of Mr Keating's unsuccessful bid to oust prime minister Mr Bob Hawke as Labor leader was "well within



should hang on to get into a sustainable recovery."

where Mr Kerin diverged from the stance of Mr Keating and Mr Hawke - the future of the controversial Coronation Hill

mining proposal by a consor-tium composed of BHP Gold Mines, Pioneer Minerals, and Mines, Fibrier Minerals, and North Broken Hill Holdings. Mr Hawke and Mr Keating opposed the project because of the presence of sacred Aboriginal sites in that area of the Northern Territory. Mr Kerin, however, said that Aboriginal traditions and religion were important, but that the Aborig-

ines would benefit from mining. "If we are going to look
after the Aboriginal community over all, we need quite a
bit of money and quite a bit of
economic growth. It'e going to
be a tough decision which ever
way it goes," he said.

Official etudies have indicated that the project, located
at the Kakadu national park,
will yield e "net economic benwill yield a "net economic ben-efit" A\$82m (in 1991 prices) based on current expectations on the prices of minerals that can be obtained from the proj-ect, including those for gold, platinum and palladium.

ines would benefit from mi

Taipei MPs HK chamber split on view of China

By John Elliott in Hong Kong

A ROW has broken out in the august ranks of Hong Kong's General Chamber of Commerce General Chamber of Commerce over attitudes to China, pub-licly pitting personalities at the top of the colony's leading companies – Sir Y.K. Pao's Wharf group, Mr Li Ka-shing's Hutchison Whampoa, and Inch-cape Pacific – against each other.

The wrangle illustrates the tensions which are huilding up as the colony approaches 1997. It centres on who should be elected in September as the chamber's representative on the Legislative Council. Tem-pers are becoming frayed because this year the council will have some directly elected members and this will raise

the profile and importance of the body.

The rival candidates are Mr Jimmy McGregor, 67, an out-spoken former civil servant and director of the chamber, who has been its representa-tive on the council for the past three years, and Mr Paul Cheng, a bland husinessman who is about to become head of Inchcape's Asian operations.

Mr McGregor decided in
April to stand down because he

felt he could not win. But, encouraged in particular by Mr Simon Murray, managing director of Hutchison Wham-poa, he put his name forward yesterday.

He sets out to speak for the small businessman, sometimes criticises China, and has refused to toe the line of the chamber's establishment, led by Dr Helmut Sohmen, Sir Y.K's Austrian-born son-in-law who runs the veteran tycoon's shipping empire.

Vitriolic personal attacks have been launched in speeches and in letters to newspapers, notably by Dr Sohmen, who has accused Mr McGregor of "political oppor-tunism".

He said Mr McGregor used using the chamber as a "stirrup for his personal ambitions and a convenient shoe horn to find a public forum for the airing of his idiosyncra-Mr Cheng can be relied on not to step out of line, espe-

cially about China, and that

appeals to the business estab-lishment which wants stabil-

its forms" and saying terrorists would not be allowed to oper-Sudan considers US peace plan Ershad sentenced

By Julian Ozanne in Nairobi

obtain a regional settlement to civil wars in the embattled Horn of Africa took a step furreinstated have been dispersed by the police. In the Hassi R'Mel gas fields, 260 workers have been sacked, while in the ther yesterday when the gov-ernment of Sudan said it would consider a US peace proposal. region of Algiers at least 1,600 construction workers have suffered the same fate as managers press the authorities to be Taxi owners who are known to have lent their cars for FIS demonstrations have had their

licences withdrawn.
In the town of Dielfa, which lies on the edge of the Sahara, the army cleared out FIS supporters from the Khalad Ion El Walid mosque, where weapons and gasmasks were found. Mr Madani, was prevented by the army from visiting wounded FIS supporters who had been taken to hospital in Djelfa. EFFORTS by Washington to

Mr Pio Yukwan Deng, a member Sudan'e ruling mili-tary junta, was reported in a Khartoum newspaper as saying the junta's political committee would meet shortly to discuss a peace plan put forward by Mr Herman Cohen, US assistant secretary of state for African Affairs. Mr Deng also said the government welcomes any efforts by "friendly states" to

achieve peace. His statement is the first small sign of a softening of the fundamentalist Islamic government's position on the eight year civil war between the mainly Christian south and the mainly Moslem north has raged for eight years. The proposal calls for military disengegement in southern Sudan as a prelimi-nary step to peace efforts. It snggests Juba, the southern provincial capital, be made an open city, with government and rebel forces withdrawing from the area, the establish-ment of e civilian administra-

tion and the opening up of land routes into the city. A US official said yesterday that Washington was willing to get involved in brokering a setment if the two warring parties showed they were pre-pared to make substantial

"How serious both sides are about peace is problematic," he said. "Even more problematic is if both sides know what it is

Mr Cohen's proposal follows a US success in brokering a settlement to end Angola's conflict and a partial success in hringing about a peaceful political transition in Ethiopia and an end to the country's long running civil wars. Whether the US can score

another success, however small, in Sudan remains seriously questionable. The Iraqi and Libyan-backed military junta in Khartoum has, since it seized power in a coup in 1989, proved itself to be one of the most intransigent and brutal

However, since the end of the Gulf war, in which Sudan backed Iraq, the government has begun to try to mend bridges. The release of some political prisoners are signs of Khartoum'e attempt to come in

to 10 years in jail

By Reazuddin Ahmed in Dhaka

GENERAL Hnssain Mohammed Ershad, the former Bangladeshi president, was convicted yesterday of possess-ing illegal firearms and was sentenced to 10 years "rigorous imprisonment" by a special tri-

Gen Ershad, who looked pale and subdned in court, said afterwards that he would appeal to a superior court.

Memhers of parliament Memhers of parliament belonging to Gen Ershed'e Jatiya party boycotted the day's parliamentary session in protest and e group of his sup-porters demonstrated in the city against the conviction. Although sporadic protests in different parts of the country are thought likely Gen

Ershad's supporters are seen as posing no threat to the gov-ernment of Begum Khaleda Gen Ershad still faces trial on separate charges of illegal possession of wealth.

are thought likely, Gen

Judge Mohammed Habib-ullah, the district judge of Dhaka who formed the onemember special tribunal, found him guilty of possessing four unlicensed arms of prohibited bore at his official residence at The jndge dismissed a defence accusation that the case was politically motivated. A previous attempt to have the case quashed and moved to a higher court had been dis-missed. The trial, which began on February 12, heard 20 with-nesses including two for the defence.

Gen Ershad seized power through a military coup in 1982, resigned last December after weeks of violent clashes. He was replaced by an acting president and a democratically elected government led by Mrs

However, the general remains an MP, and his party won 35 seats in the 300-seat parliament in the Fehruary general election. He had been considered as a potential presi-dential candidate in the next elections, but main parties support a return to a parliamen tary rather than presidential form of government.

Budget measures outlined in parliament yesterday seek to stimulete Bangladesh's cyclone-ravaged economy through e liberalising of for-eign investment rules, includ-ing scope for overseas pur-chases of local equities.

UK, Malaysia resume defence contract talks

By Jimmy Burns

BRITAIN and Malaysia have resumed secret negotiations on a series of potential contracts

defence priorities are understood to include the purchase of two missile-carrying war-ships and some light tanks. British Aerospace, GEC, Cammell Laird, and Vickers are among the companies that are believed to be talking to the Malaysians in the face of intense competition from other European countries.

The original defence package emerged from a controversial memorandum of understand ing with Malaysia which was signed by Mrs Margaret Thatcher when she was prime

two Martello ground-based airdefence radars from GEC, and a second involving more than 20 Hawk advanced trainer air-

Nigerian bank debt hold-up

By William Keeling

A HITCH has arisen in the agreement signed in principle last March with the London Club of commercial banks to which Nigeria owes \$5.8bn. The agreement cleared the path for Nigeria to buy back up to 60 per cent of its London Club debt, while the banks were given the option to exchange the remainder of the debt for 30-year bonds carrying an interest rate of 6% per cent, with one year's interest

to be covered by US Treasury bonds or their equivalent. The Nigerian side has pro-posed that bonds issued by the Resolution Funding Corpora-tion the US government Resolution Funding Corpora-tion, the US government agency created to bail out the savings and loan industry, be used as collateral. The Refcorp paper carries the highest tri-ple-A credit rating and the Nigerians argue that It is equivalent to US Treasury maner in terms of risk

paper in terms of risk.

However, Refcorp paper yields more and would be a cheaper option for Nigeria.

The London Club has so far rejected the proposal and is demanding that only Treasury bonds are used as collateral. demanding thet only Treasury bonds are used as collateral.

As a result of the disagreement, the buy-back has been stalled and Nigeria has yet to make payment arrears to the London Club which bankers say total more than \$100m.

The bank debt is still trading at an all-time high of 42 cents in the dollar in anticipation of the buy-back. The high of tion of the buy-back. The high trading price has had a knock-on effect on Nigeria's debt-conversion programme.

At the latest auction, blds

at the intest auction, bids totalling \$50m were made but all failed, with the highest bidder offering a discount of \$8 per cent. Bankers report that the minimum discount rate set by the central hank, believed to be around 40 per cent, now makes it cheaper for potential investors to buy local currency on the autonomous market

an agreement reached last January between the Nigerian government and the Paris 2400m.

The planned purchases form part of a five year development plan to be concluded in 1996.

Club of creditor nations. The rescheduling of \$450m in debt was also concluded with Germany.

Israel to seek \$18bn in unconditional aid

ISRAEL will have to raise up to \$18bn (£10.4bn) in aid and loans from the US and Europe over the next five years to cover the cost of Soviet Jewish immigration, but will resist any attempt to tie aid to politi-cal concessions on the occupied territories, according to Mr Yltzhak Moda'i, the finance

Some senior officials and opposition leaders have said that the government's insistence on holding the West Bank and Gaza Strip in defi-ance of international opinion could jeopardise Israel's sums required to accommodate the 1m Soviet Jews expected to arrive within five years.

An initial \$400m loan guar-

antee package from the US, already in place, was agreed by Washington only after Israel money would be spent on Jewish settlements in the occupied territories. There have since been strong hints from the US that further aid requests will have similar strings attached. However, Mr Moda'i denied in an interview that the loan guarantee terms represented a political coodition. He said the issues of immigration and the Arab-Isrseli dispute were unconnected. The migration of Soviet Jews to Israel was a unique, humanitarian issue



Moda'i: "We don't sell territory for money."

merits. Mr Moda'i said the aid requirement only made Israel vulnerable to outside pressure on political issues "to the extent to which we are prepared to make political conces-

He added: "As the minister of finance I should answer that if there will be political strings, maybe Israel should consider. I still tell you that . . . if any help is made subject to political mend to the Israeli government that western countries were not to make political conces-

sions. It is different if the gov-ernment wants to make political concessions separately from the help we require. If it's policy that's different.
"But I state it very simply.

We don't sell territory for money. Not yet, and not ever."
Mr Moda'i said that of the \$50bn the government estimates it will need to cope with Soviet immigration - a figure roughly equal to current annual gross domestic product - about a quarter will be met through the government's own resources. such as hudgetary

cuts and privatisation issues. A further quarter will come from private-sector investment. Mr Moda'i said the package of incentives now evailable to investors was "the best in the world, better than Ireland and Up to \$7bn was destined to

come from the Jewish diaspora, leaving between \$15bn and \$18bn from other foreign sources. The main target is the US, which already provides more than \$3bn a year in economic and military grant aid to Israel, followed by European powers such as Germany.

France and Britain.
"We know exactly what we will be asking for from friendly will be asking for from friendly governments around the world and we will go forward to brokerage houses and banks. In each state there will be a different package according to the facilities that we suppose could best be put at our disposal by that particular state, in the US, for instance, most of it will be for instance, most of it will be [loan] guarantees."

Aside from the issue of political conditions, the US has made it clear it wants to see greater reform in the state-heavy economy before it forwards more aid. In particular Washington is pressing the government to raise more cap-ital by selling off the big state industrial and bank hold-

ings.
Mr Moda'i admitted that the

privatisation programme had been far too slow. He said he intended to complete the sale of the first of the four big banks this year and promised a "big acceleration" in the pace of industrial privatisation.

of industrial privatisation.

Recent moves by the government to subsidise employment and increase public spending programmes have raised questions over its commitment to the principle that the business sector, not the state, must ultimately produce the sustained double-digit growth needed if immigration is not to result in mass memployment. mass unemployment.
Some economists fear an overheated economy and runaway budget deficits by next year if spending is not tightly controlled.

But Mr Moda'i insisted the intervention was needed while the economy caught up with the population increase. "These will be only intermediate measures. We do not intend to plant forests all over the mountains of Israel as we did in the 1950s, or start businesses just for the sake of employment - losing businesses - like we did in the 1960s.

This is over. "What we may do is advance for instance public works infrastructure to provide jobs... One thing we will not do, I assure you, is extend government employment. That we will not do."

a series of potential contracts linked to a defence package signed in September 1988.

It emerged yesterday that a high-level delegation led by Mr Najib Razak, the Malaysian defence minister, has arrived in London to hold negotiations with consequence officials and with government officials and leading UK chipbuilders and equipment manufacturers.

Malaysla's immediate

However, it is understood that only two contracts have been concluded - one covering

craft from BAe. Progress on the package suffered a setback in May last year when Malaysia cancelled \$300m of Nigarian debt under plans to buy up to 12 Tornado jet fighters from a BAe consortium in a contract worth

Baker backs Soviet reform plans

MR James Baker US secretary of state, vesterday offered strong public support for Soust President Mikhall Gorbschev's reform plans, following

Bas

5 4 A 44 an, ~27 15

تونيا در او ادر ا

The same and e per la F

F.

scher's reform plans, following the announcement late on Tuesday that the US had agreed to the Soviet request for \$1.500 (1880m) in credit guarantees to hay food.

We do not intend to standidly by if the Soviets come to grips with the Questions of political and economic legitimacy. Perestrolla child be the most important revolution of this century and all of as have a profound stake in its outcome, Mr Baker said.

The US could serve as "a catalyst for both political and economic reform" is the Soviet Union and was developing a package of supportive measures which we would hope to co-ordinate with other western governments.

THE US yesterday publicly backed an increase in the

the issues so that a capital increase could be voted on by member govern-

ments.
The approuncement followed

a year-long wrangle between the US Treasury and the World Bank over the extent of the

latter'e involvement with the private sector. The US remains the largest

shareholder in both the IFC The IFC, with the backing of

of \$1bn. Mr Mulford argued that for

an IFC capital increase to be effective it must be part of en accelerated effort by

US supports rise

in capital for IFC

was up to the Soviet Union to take the key steps towards reform and that there must be so step-by-step process. The Soviets must, he said, "start by helping themselves. And if they do this, we will support them.

President George Bush and Mr Baker have halanced several factors — a desire to offer public support for Mr Gorbachev's goals, considerable doubts about detailed Soviet plans in the absence of a full commitment to a market scongar and domestic political commitment to a market economy, and domestic political constraints on the scale of any aid. The US has sought to lower expectations about any large-scale financial assistance or "Grand Bargain" — perticularly shead of the Group of Seven summit in London in mid-July — while sounding positive, engaging Soviet

the entire World Bank Group

reformers in continuing dialogue and offering technical

grain credit was announced. the White House stressed Soviet creditworthiness on past official loans by the US. Unless Moscow defaults for the first time, the latest credit should not be a burden for US taxpay-

Moreover. Mr Bush was careful to respond to criticism that he is putting too much emphasis on the relationship with Mr Gorbachev by stressing the Soviet assurances that the Soviet assurances that the grain bought by tha credits would be "fairly distributed" among the Soviet republics and the Baltic states.

Nevertheless, Mr Bush has been accused by conservative Republicans of propping up Mr Gorbachev. A group of prominent conservative activists

Alliance Against the Bailout of advice. Communism to attack US trads
Consequently, when the links with both the Soviet Union and China. Dsmocretic Senator Bill

Bradley has said that, while the US should be willing to provide some technical assistance, it should not be sending aid to the Soviet Union." The US favours giving the Soviet Union special associate status with the International Monetary Fund, Mr David Mulford, treasury under-secretary,

confirmed yesterday, Reuter reports from Washington.

Mr Mulford told a House banking snb-committee that such a status would allow Moscow to draw on the exper-tise of the IMF in developing a

Grain prices leap, Page 30



President Bush is helped out of an F-22 Stealth fighter

Argentina's talks with IMF reach critical stage

By John Barham in Buanos Aires

ARGENTINA'S negotiations with the International Mone-tary Fund over a new \$1.2bn (2690m) standby loan have reached a critical stage, with IMF officials reportedly demanding tax increases in the face of government resis-

As part of his stabilisation As part us his sammisation policies, Mr Domingo Cavallo, Argentina's economy minister, reduced some taxes and public sector ntility charges, but increased revenues by clamping down on tax evasion and stimulating economic activity.

Mr Cavallo said in an interview yesterday: "What I will not do is introduce [tax] mea-sures into the programme that threaten its success, just because the Fund requires it as e condition for the standby"

An Argentine team is in Washington negotiating terms for the loan. Officials still hope to and negotiations in time to begin drawing down the first transhes of the loan hy August. In addition to unlocking IMF loans, a

standby accord would ensure prompt disbursement of up to \$600m in World Bank loans. Mr Cavallo went so far as to play down the importance of an immediate agreement with the IMF. "It would not be a problem if we do not reach e standby agreement, because for us it is not essential," he said. However, an independent analyst commented: "Cavallo really needs the loan, for the money and to shore up confi-dence in Argentina. This talk of not needing it is just rheto-

more interested in winning an extended fund facility (EFF) loan from the IMF, which pro-vides longer term loans under less strenuous conditions than

emergency standbys.

However, he has recognised that full compliance with a standby loan is essential to negotiating an EFF. Argentina has signed five standby loans since 1983, but never complied with an agreement. Mr Cavallo hopes an EFF would allow Argentina to "completely end renegotiation and restructuring of the foreign debt in 1992."

A city's 'bright future' in the Chapter 9 balance

Nikki Tait reports on a municipal bankruptcy file

past and e bright future, proclaim the signs greeting motorists as they drive into Connecticut's largest city. The sentiment has been question-able for some time, but, after the city'e bankruptcy filing last week, it looks painfully mappropriate.

Even in a country where bankruptcy signals a reorganisation of finances, rather than a fire-sala of assets. Bridgea fire-sala of assets, Bridge-port's filing last Thursday night was remarkable. Chapter 9 of the US Bank-ruptcy Code specifically lays out provisions under which municipalities can use this pro-cedure to rearrange their debts, giving them court pro-

debts, giving them court pro-tection from creditors while they formulate a reorganisa-tion plan.

tion plan.

But, in contrast to Chapter 11, which covere corporate reorganisations, Chapter 9 has rarely been used, and never by a city of Bridgeport's size. There have heen just 441 municipal filings since 1934, and many of these have been by school districts and the like. Few analysts believe that other cities are poised to follow other cities are poised to follow Bridgeport's example, but given the amount of red ink spilling out of city halls, partic-ularly in New England, this precedent-setting struggle is likely to be closely watched.

Nobody disputee Bridge-port's problems. The city, which dates back to the 17th century, prospered because of its railways and harbour. In the wake of the Civil War, e the wake of the Civil War, e thriving sewing mschine industry developed in the town, paving the way for other machine tool manufacturers. Howevar, the past few decades have been less clem-ent. Industry, jobs and popula-tion declined in the 1970s as big employers such as Singer big employers such as Singer and Dictaphone shut up shop. High-tech concerns failed to fill the gap, and companies relo-cating away from New York have tended to avoid the city, preferring to settle in citles such as Stamford and Green-

wich. Having been bypassed by the boom of the 1980s, Bridge-port is regularly ranked among the country's 20 poorest cities.

The 144,000 strong city has tried to tackle its problems, with the usual mix of housing projects, restoration of down-

NEW YORK CHNECTICUT Hudson Rive

ation of a "historic district". But the result is a sad mishmash, which the recession has

only exacerbated. Gleaming bank buildings put up in the 1980s stand side-by-side with pawn shops and empty retail space on Main Street. A second-hand furniture store padlocks gruhby mattresses to its shutters to prevent theft. Downtown apart-

ment hlocks are gutted and empty, public spaces untended.
Municipal finances are also in a mess. For years, Bridgeport has struggled to balance its budget, but in a state where property taxes are the main source of municipal revenue,

this has not been easy.
In 1988, Connecticut intervened and backed a bond issue to cover Bridgeport's deficit, but it also set up a Financial Review Board to oversee the city's finances. Since then, recession has set in and the state is itself facing

an acute fiscal squeeze. This has meant reduced aid for municipalities, and in Bridgeport's case increasing friction between the Mayor's office and the review board. Mary Moran, Bridgeport's

mayor, has been trying to close an estimated \$12m gap in the \$300m-plus budget for the next fiscal year. Her preferred option has been union contract concessions. However, in recent weeks talks have failed. The review board, by con-trast, has adopted its own budget and directed the council to move - together with any fur-ther cuts in services - is bit-terly opposed by the mayor. Not surprisingly, she has strong local support.
The bankruptcy option

meanwhile, was first mooted in January, but ran into strong opposition from the state authorities. This raises the first, very crucial, question: will the current filing be allowed to proceed without state backing?

state backing?
The state yesterday showed no sign of changing its stance and formally filed its objections in the bankruptcy court. A hearing is set for July 16.
Certainly, some lewyers believe that the city has done itself irreparable harm with the municipal bond markets. the municipal bond markets without much hope of gaining

any relief.
Mr Micbael Cook, head of the bankruptcy department at New York's Skadden Arps Slate Meagher & Flom, puts the point huntly: "The ques-tion is whether this will stick without euthority from the state I don't believe the may-or's been well-advised and there could he serious long-term finencial conse-

The city has gone to great lengths to play down the effect that bankruptcy will have on holders of its \$200m-plus bonds, indeed, one of the mayor's first ports of call after Thursday's filing was to rating agencies, such as Standard & Poor's and Moody's.

City officials are adamant that deht and interest payments will still be met, and that the main aim of the bankruptcy move is to tackle labour con-tracts with the court's help. This has not stopped S&P from downgrading Bridgeport boods, and Moody's from sus-

pending its ratings.

Nor did it prevent a certain amount of confusion in Bridgeport itself, as one local bank froze city secounts and others turned away city employees cashing payroll cheques.
That misunderstanding

rhat misunderstanding seems to have been resolved fairly speedily. Mr Richard Robinson, Bridgeport's finance chief, was quick to stress that the city was currently paying all its bills. The underlying problems, however, will not prove so simple to deal with. prove so simple to deal with.

WORLD TRADE NEWS

French in Dunkel upbeat on talks to break farm reform impasse **Polish** mobile phone deal

By William Dawkins in

POLAND has chosen France Telecom and Ameritach, a US regional telecommunications

regional telecommunications company, to provide it with a mobile phone network.

The Franco-US consortium has been asked to produce final details in the next few weeks. It will include "several bundred thousand" subscribers, and will open in partnership with the Polish public operator at the end of this year, France Télécom said.

This is France Télécom's first contract in eastern first contract in eastern Europe and follows the easing of restrictions on western technology sales to the region agreed last month by the leading industrialised nations

ing industrialised nations grouped in CoCom. (the Co-ordinating Committee for Multi-lateral Export Controls).

The two pariners will set up an equally-owned joint venture with \$100m (E57.8m) capital to carry out the project, part of Poland's compaten to triple the number of phone subscribers, currently 3.5m, cut-the year 2000. Similar conthe year 2000. Similar con-tracts are under negotiation in the Soviet Union and Hungary.

Peugeots to be assembled in Venezuela By Joe Menn in Caracas

A VENEZUELAN business

A VENEZUELAN business group plans to invest \$5m (25.2m) in a project to assemble Pengeot passenger cars in Venezuela for the first time. The Brillenhourg family, a diversified business group, in to finance the project France's Pengeot will decide here. If it will become a stockholder or remain only a supplier.

The new company, Survindentials to make the Pengeot model \$05 to compete with upmarket imports such as Mercedes Benz and BMW.

The Pengeot project will add another assembler to Venezuela's small and overcrounded automotive market. Venezuela had new car and truck sales of only 41,514 units last year.

only 41,314 maits last year.

a number of countries, had-sought a doubling in its pres-ent capital of \$1.3ho, (2750m), but as a compromise the US seems likely to support a rise He said there could be cases where it would be useful if the bank could lend directly to the

However, he warned that nnless the charter was changed, current practice could be a disincentive to pri-vatisation.

to support private sector development." The US particubacked an increase in the capital of the International Finance Corporation, the World Bank affiliate dealing directly with the private sector, but insisted a rise was dependent on changes in bank policies.

Mr David Mulford, Treasmy undersecretary for international affairs, yesterday told a congressional committee that ha hoped board meetings on Juna 20 would resolve the issnes so that the US wanted to see the cooperation and collaboration co-operation and collaboration between the Corporation and the hank on assisting tha ehift from state-controlled to market econo-

> Mr Mulford also urged that the bank's management and executive board should consider amending the bank's charter, which at present requires a government guaran-tee of any loan to a private

> private sector without govern-ment guarantees.

progress depended on governments' ability to "enter into the political negotiating phase very quickly". Mr Dunkel, who has taken personal of the General Agreement on general of the General Agreement on Tariffs and Trade, said yesterday, writes William Dulliforce. Worthwhile progress had heen made in discussions among delegations to Gatt and officials from als. But, Mr Dunkel.

mistic assessment

The outcome of four-and-a-half years of negotiations on the further liberalisation of world trade depends on resolving the impasse over farm

reform.

There had been no suggestion at the informal meetings of any change

As far as domestic supports go, delegations appear to be closer to deciding which should be regarded

Talks are taking place this week on export subsidies.

Some trade diplomats were surprised at Mr Dunkel's relatively opti-

now had a clearer appreciation of the technical aspects of each other's positions and of the practical impli-cations of the political decisions that would have to be taken.

Mr Dunkel also appears to believe that progress has been made on the proposal, tabled by the US and the farm-exporting countries in the Cairns Group, for converting import restrictions into tariffs and then reducing them.

The EC bas strong reservations about tariffication and has been insisting that, if applied, it must be complemented with a "corrective

factor" covering exchange rate and abrupt price fluctuations. Discussion has centred on finding some form of protection against sudden distortions in prices or exchange rates closer to the safeguard mecha-nism already available in Gatt's rules for trade in goods.

made in discussions among delega-tions to Gatt and officials from capi-tals. But, Mr Dunkel warned, further US doubts Japan's market pledge

Trade complaints are a continuing headache, writes Robert Thomson to expectations?

APAN's trade negotiators are entitled to a certain sense of satisfaction. They have just signed a new semihave just signed a new semi-conductor agreement with the US, finalised a pact to increase US access to Japan'e construc-tion market, settled a bilateral dispute over airline landing rights, and successfully fended off US complaints about "struc-tural impediments" to trade with Japan.
The achievement list is

impressive, but there have been few fundamental changes in trade relations between Tokyo and Washington. US officials remain sceptical about Japan's commitment to open markets, and Japanese officials are convinced they have made significant concessions and received little in return.

Take the construction agree-ment, settled only three hours before a deadline that was to be followed by a ban on Japa-nese companies participation in US federally-funded con-

in US federally-funded con-struction projects.

The agreement lists 23 public works projects for which appli-cation procedures will be relaxed to enable US and Euro-pean companies to gain experi-ence in the Japanese market, though it provides no guaran-tee that these companies will win contracts.

win contracts.
The Japanese negotiators The Japanese negotiators felt they had done the US a great favour by calling on Mr. Toshiki Kaifu, Japan's prime minister, to intervene in the dispute and add a few extra projects to the list. But US negotiators thought the last-infinite addition of new projects was predictable, and were faither convinced that deadlines and threats are necessary

lines and threats are necessary bargaining tools in Tokyo.

The US negotiators were curious about the apparent Japanese relactance to condemn the "dango", the conWashington and Tokyo appear to have inched closer over rice imports into Japan, one of the toughest hurdles in the Uruguay Round of trade negotiations, writes John

At a ministerial session of the UN'e World Food Council in Copenhagen last week, Mr Edward Madigan, US agriculture secretary, and Mr Motoji Kondo, his Japanese counterpart, maintained their positions in the public sessions but are believed to have made progress in a private meeting. Japan allows practically no rice imports, and considers this position would be threatened by liberalisation under the Round. The US is eyeing what is potentially a highly lucrative market.

struction company cliques said to rig bids and unfairly fix prices. Mr Michael Farren, US under secretary of commerce, said an anti-"dango" clause in the construction pact was one of the last issues to be settled, and that US negotiators got the impression that Tokyo was not much disturbed by "dango".

"It was hard to get them to say that they were against 'dango'. We just say that if Japan doesn't want to make tha changes, maybe the US should make 'dango'," he said. Washington has shown a similar frustration with Tokyo's tolerance of the keiretsu, the corporate families characterised by cross-share-holdings and an alleged tendency to exclude outsiders. However, Japan argues that the keireisu are not collusive and, instead, encourage the long-term planning and stabil-

ity lacking in corporate Amer-Trade friction will remain a problem while Japan's surplus with the US is in the tens of billions of dollars, and the prospect of a larger surplus this year could increase pressure from Congress for tougher legislation as inadequate, and

Semiconductors and construction are in their post-pact honeymoon periods, but there is still a long shopping list of US trade complaints. Some are continuing concerns dealt with by the hilateral Structural Impediments Initiating (SID) Impediments Initiativa (SII) talks, while others are now playing to small audiences of interested specialists but could quickly be elevated to the big political stage by enthusiastic US Congress representatives. US concerns include:

Computers: Washington wants the Japanese government to alter its computer purchasing policies for mainframes, midrange systems and personal computers. It is reckoned that foreign suppliers have only 10 per cent of the government's computer business, against 37 per cent in the private sector. The US wants the purchase process to be made more transparent and an increase in the use of competitive bidding, Lawyers: The Foreign Legal Consultants Law was intro-

duced in 1987 and supposed to sure from Congress for fougher action: against Japan, even though the raw figure has fallen significantly since the \$52bn (£30bn) surplus in 1987.

This year congress for fougher wants foreigners to be permuted to form partnerships with Japanese lawyers. It also wants foreign lawyers to be able to represent clients in arbitration cases and to be freer in the use

of their parent company's name, which, curiously, must now ba in smaller type on signs and stationery than the individual lawyers' names. Cars: The anti-dumping action recently launched by US car makers against Japanese mini-vans highlights the tension between the US and Japanese industries. Washington wants Japanese makers to use more US car parts and increased sales of foreign cars in Japan.

The car market is already open and Washington cannot do much more on this issue than encourage US companies to build better vahicles. Car parts are potentially a serious issue, as it is linked to US concerns about the allegedly exclusive buying habits of Japanese corporate families, in this case, the car makers. Financial Services: US Congress has drawn np a Fair bilateral trade tensions from Trade in Financial Services particular problems to a Bill targeting Japan for retalia-tion for failing to complete financial liberalisation. Wash-ington wants further deregula-tion of interest rates, increased opportunities for foreign management of Japanese pension funds, and regulations to increase the flow of information from Japanese companies listed on stock exchanges. Keiretsu: the corporate families are the big target for this year, and the US believes they influence all the above prob-

When Washington says keiretsu, it means both the traditional industrial combines, such as the Mitsubishi and Mitsui groups, and the corporate clusters around industrial heavyweights such as Toyota Motor. To lessen keiretsu influ-ence, Washington wants tougher anti-monopoly laws and the appointment of independent directors to company boards.

SII 'has lived up

Initiative (SII) has brought some new dynamics to relations between the US and Japan; it has improved under-Initiative (SII) has bronght some new dynamics to relations between the US and Japan; it has improved understanding of the seriousness of deep structural problems in the two economies and the relationship between them and trade and balance-of-payments problems; it may have helped avoid approaches which could avoid approaches which could have been destructive of an

important relationship.
So argues Mr Charles Dallara, until last weekend the US
Treasury's assistant secretary
for international affairs and its representative in the SII talks. A key official in the Treasury since the mid-1980s, he is leav-ing to join the New York bank-ing house of J.P. Morgan. SII was devised to try to shift

particular problems to a broader discussion of structural obstacles. It also fits what he calls "the one consistent theme in the US Treasury for at least five or six years of trying to find common ground between our national economic objectives and international

Not surprisingly, he claims some success. He points, in Japan's case, to "the initial steps to implement their multiyear structural investment programmes, the easing of some restrictions in the distribution system for retail goods, and some preliminary measures to address some of the keiretsu problems, (the web of relationehips that constitutes Japan's corporate structure), such as introduction of "more internationally-accepted accountancy standards with an element of

transparency in them".

Problems yet to be fully addressed include the keiretsu structure and the exclusionary

THE Structural Impediments practices emanating from lt. rights and cross-shareholdings in the keiretsu. But he believes SII has lived up to expectations in a medium-term time horizon. You are not going to

> Japanese economy in a matter of 14 months."
>
> Mr Dallara acknowledges the view of administration critics that SII is mostly a way to head off congressional pressure for retaliation against Japan. He prefers to see it as "a way of avoiding more confrontational and less productiva approaches to solving these structural problems". But "it is no substitute for real change. It cannot be a framework for an exchange of diplomatic niceties, e grand annual assess-ment. It has to produce real,

continuous systemic change."
The Jepanese now accept the talks are e continuing process.
"I think...they are pleased at
what has been eccomplished, though the steps in getting there are usually achieved with such great difficulty." He argues that, though bilateral in practice, the conceptual frame-work for SII is multilateral and a complement to the macroeconomic talks in the Group of

Seven industrialised nations. Other countries and the EC,, Mr Dallara says, have over-come initial scepticism and are engaging the Japanese in similar discussions. SII is supposed to be a two-way process where US structural problems are addressed. But Mr Dailara claims the US's biggest challenge is to deal with a risedlenge is to deal with an inade-quate national savings level relative to investment — e con-

stant Japanese criticism.

S Korea eases curbs on trucking

By John Ridding in Saoul

FOREIGN shipping companie will be allowed to set up truck-ing operations in South Korea by the end of this year or early next, the ministry of transport

said yesterday.

This follows pressure by the **US Federal Maritime Commis** sion (FMC), an independent regulatory agency, which ear-lier this month threatened to impose heavy fines on South Korean ships visiting US ports unless Korea allowed American shipping companies to do trucking business in Korea by the beginning of August.

"Opening the trucking sector to foreign companies is necessary to avoid trade friction," said an official at the transport ministry. He added that the Korean

government would also allow foreign companies to sign transport contracts with the Koree National Railroad Administration, another demand of the FMC.
But the measures, still to be

finalised, may fall sbort of US demands. in particular, liberal-isation of the trucking industry is likely to be restricted to defined areas and allow only short-haul business.

According to the ministry. foreign companies will proba-bly be allowed to operate only immediately surrounding the big Korean ports of Pusan and Inchon. A spokesman said that only two Korean companies. Hanjin and Daehan Tong Un wsre licsused to operate nationwide and that Koreen companies were not yet com-petitive snough to face full lib-

But foreign shipping compa-nies in Seoul said that such a partial liberalisation would not be enough. "We have got to have total liberalisation.

UK NEWS

Two found guilty in Iraq trigger conspiracy

By Neil Buckley

TWO company executives were convicted at the Old Bailey in London yesterday of attempting to export to Iraq electrical capacitors which could be used as triggers for nuclear bombs. The judge said the crime "could have had terrible couse-

quences".

Mr Ali Ashour Daghir, 49,
managing director of Euromac
in Thames Ditton, Surrey, who
has doal British and Iraqi
nationality, was jailed for five
years for attempting to evade
British export controls on military goods to Iraq.

Ms Jeanine Speckman, 41,
Euromac's export director and
a French national, was

a French national, was remanded in custody for sen-tencing today. A third defen-dant, Mr Tonfic Fonad Amyuni, 37, a Lebanese national and Euromac's sales

director, was acquitted.

Passing sentence, Judge Neil
Denison told Mr Daghir he
believed he had acted out of a misplaced sense of patriotism and loyalty to his native land, but in doing so he had deliberately hroken the law of his

adopted country.

The conspiracy to export the capacitors to Iraq, whose spec-ifications suggested they were intended to supply the electri-cal discharge to detonate con-ventional explosives forming part of a nuclear bomb, was exposed by an undercover operation by US and UK customs which lasted 18 months.

Weapons trial ends with a sting in the tale Race discrimination

Jimmy Burns and Richard Donkin on the inquiry which led to yesterday's convictions

THE trial which yesterday led to convictions for two UK com-pany executives — Mr Ali Daghir and Ms Jeanine Speckman - was the culmination of an 18-month investigation by British and US customs offi-cers which foiled Iraq's attempt to obtain parts for its nuclear weapons programme. In September 1988, CSI Technologies, a US company spe-cialising in the design and manufacture of a capacitor which can be used in nuclear weapons, was approached by Euromac, a British registered

company.

The nature of the inquiry aroused the suspicions of Mr Jerry Kowalsky, CSI's president, who tipped off the US Customs Service before agreeing to help Euromac further.

Mr Kowalsky, who established Iraq was being contemplated by Euromac as the enduser, was asked to pursue his user, was asked to pursue his contacts with the company as a way of finding out more details about their intentions. The US customs service began an elaborate undercover operation, codanamed Argus,

in which their officers posed as agents in the smuggling effort. Operation Argus employed US "sting" tactics which are not strictly sanctioned by the UK government. Customs and Excise, however, has said it did not regard the operation as a sting because the capacitors had been ordered by the com-pany and had not been offered as bait for the subsequent trap. On September 11 1989, Mr Daniel Supnick, an undercover meeting at London's Cavendish



and Mr Ali Daghir and Ms
Jeanine Speckman, of Euro
mac. Two Iraqi engineers from
the Alqaqaa Iraqi State military research estahlishment
were also present. Mr Supnick,
equipped with a hidden tape-recorder, posed as an export
finance manager of CSI.

UK customs of CSI links with
Euromac continued in subsequent weeks, fuelling suspiclons that what was being
planned belonged to an elaborate effort by Iraq to build up
its nuclear programme.

On March 15, CSI, as part of
the undercover operation,
made final arrangements for finance manager of CSL

Various ways of circumvent-ing US export licensing requirements were discussed, as were specifications to meet military standards. One of the Iraqi engineers said the use of the capacitors was to be "One shot aerospace application". Close monitoring by US and

Hotel between Mr Kowalsky UK customs of CSI links with

its nuclear programme.
On March 15, CSI, as part of the undercover operation, made final arrangements for the shipment of 40 capacitors which were described on the the final invoice as capacitors for air conditioning equipment. Five days later the capacitors arrived at London's Heathrow airport. The crates in which they were contained were substituted by UK cus-

toms for a similarly packaged crate containing inoperabla capacitors.

The crate was followed as it

was moved from one airfreight shed to another, then to Euromac's premises, before being returned in separate consignments to Heathrow.

Mr Omar Latif, the Iraqi Airways Station Manager, met the consignment at the airport. The boxes were intercepted as they were about to be loaded on to an Iraqi Airways jet bound for Baghdad. Mr Latif was deported after customs officers arrested the Euromac The trial at the Old Bailey hinged on whether or not the capacitors were destined for Iraq's nuclear programme. The

Iraq's nuclear programme. The prosecution's case was that the capacitors were "designed for detonating bombs".

The defence argument, also drawing on some expert opinion, was that the capacitors could have been used in cameras or lasers. Mr Geoffrey Cox, acting for Mr Ali Daghir, managing director of Euromac, alleged that US customs agents had operated a "web of deceit" to trap Euromac into exporting electrical equipment to Iraq, and had encouraged Mr Daghir to go through with the deal.

Yesterday's verdict appears to have vindicated US and UK customs officers in their conviction that their joint operation prevented Iraq from pur-

viction that their joint opera-tion prevented Iraq from pur-suing a programme which may have altered the balance of power in the Middle East.

Some of the defendants claimed they were victims of a witchhunt undertaken at a time of growing anti-Iraqi feel-ing in the US and the UK.

Beyond providing an insight

Beyond providing an insight into the methods used by US and UK customs officers, the lengthy trial appears to have shed little light on details of Iraq's military procurement programme in the 1930's.

The trial provided few leads on issues such as the role of

on issues such as the role of the intelligence services understood to have been involved in the operation, the applications of export policy on both sides of the Atlantic, and the involvement of other compa-

forms of discrimination".
Other changes would modify
the way industrial tribunals nies and countries in meeting President Saddam's ambitions. handle discrimination cases,

'threatens social harmony of cities'

By Alan Pike, Social Affairs Correspondent

STRONGER LAWS are needed to stop racial discrimination blighting the lives of Britain's ethnic minority citizens, the government-funded Commission for Racial Equality said

yesterday.

Mr Michael Day, commission's chairman, lanuched a call for a revision of the 1976 Race Relations Act with a warning that "in many inner-city areas the peace is very fragile". He said social prob-lems which contributed to seri-ous rioting in Britain's inner-cities 10 years ago were still

apparent.
Referring to the ambitions of the prime minister, Mr John Major, of creating a classless society and a "nation at ease with itself" Mr Day said that a nation could not flourish unless it dealt with the stress and injusting of citizens devied. unless it dealt with the stress and injustice of citizens denied equal opportunity and employment because of colour or ethnic origin. "That is not the country at ease with itself to which the prime minister is committed," he said.

The commission, in a consultative degree of citizens and in the commission of the consultative degree of citizens and in the commission of the consultative degree of citizens and in the commission of consultative degree of citizens and citizens and citizens and citizens and citizens are citizens and citizens are citizens and citizens and citizens are citizens are citizens and citizens are citizens are citizens and citizens are citizens and citizens are citizens and citizens are citiz

The commission, in a consultative document published yesterday, proposed a series of changes to the current act.

These would include strengthening the commission's powers to investigate named organisations and tackle "entrenched forms of discrimination".

introduce ethnic record-keep-ing in employment and extend the act to all central and local government activity.

Mr Day said that the races

sion, public spending restraini and withdrawal of public funds and withdrawal of public funds from minority groups with spe-cial needs were "feeding a sense of increasing distillusion-ment and despair". The struc-tural disadvantage which affected those in deprived areas had not been addressed with sufficient urgency, and black names were now inclined black people were now inclined to dismiss the official response as token and superficial.

as "token and superficial".

They were angry at the failure of policy makers and institutions to respond with "anything like the urgency and sense of shared outrage the situation demands."

He said discrimination existed not only in deprived inner cities but in members of ethnic minorities being denied access to the institutions of society. The commission was

society. The commission was

society. The commission was particularly concerned about the criminal justice system.

The commission is also concerned that harmonisation of EC race relations laws may weaken the legal protection of ethnic minorities.

Most BC countries have a less elaborate structure of race relations law than the UK, and the commission fears that barmonisation might take place around the lowest common

UNNTIN.



8am-4pm ET MONEY WHEEL **HOURLY REPORTS** DAILY REPORTS The :21 Market Insider w/ 12:25 Top Business Stories :30 Hillary Johnson & 1:25 Dorfman Ron Insana :02 2:25 Report Scoreboards :32 3:25 :37 Futures/Commodities :03 Wall Street Report Analysis w/Roy Blumberg Credit Markets w/ :43 1:10 Tech Talk w/ :12 Ed Hart & Neil Cavuto Newsmakers 2:10 John Murphy & :20 :51 Story Stocks John Bollinger 3:10 Market Watch :50 :57 **Futures Boards** 5:10

We've merged the best of CNBC and FNN.

Two of the best sources for business and financial information have combined forces to help you manage your bottom line better

It's CNBC/FNN Daytime-the ultimate business network, only on cable TV. We call it Smart Business because from 6 am to 7 pm ET we give you the information you need to thrive in today's economy.

Tune in to The Money Wheel for minute-by-minute access to the information and data you want when you want it. Top anchors, reporters and analysts include Kathleen Campion, Neil Cavuto, Ted David, Bill Griffeth, Sue Herera, Ron Insana, Hillary Johnson,

Tom Miller, Doug Ramsey and Dean Shepherd. They'll update you on all the latest facts and figures at regular intervals throughout the business day. Plus a continuous two-line, trade-based ticker provides the latest stock and futures quotes.

Tune in to CNBC/FNN Daytime for the best in business and financial news, opinion and analysis. Because staying well informed is just Smart Business.



For information on specific programs, call 1-800-SMART-TV.

@ 1991 CNBC

BRITAIN IN



Government to defy EC on frontiers

The government is determined to retain full security controls at Britain's airports and Channel ports despite EC demands that all frontiers must fall after 1992.

Mr Kenneth Baker, home secretary, will tell his Community colleagues at talks in Luxembourg that the UK is not prepared to open its national borders and risk granting access to illegal immigrants, drug smugglers, gun-runners and terrorists.

But Mr Baker will warn that the UK expects to be treated as a special case because it is an island state.

Help urged to save businesses

Insolvency practitioners are pressing the government to amend insolvency legislation to save thousands of small businesses from receivership and liquidation each year. Mr Ian Bond, president of the Society of Practitioners of Insolvency, said the failing of the Insolvency Act 1986 was there was no easy way for a company to obtain court protection from creditors while

Touche Ross to aid coal sale

debt rescheduling proposals were being produced and a

creditors' meeting convened

Department of Energy has appointed Touche Ross, the accountancy firm, to advise on the privatisation of British Coal. Touche Ross will assist with the consideration of options for the sale of the industry, but no firm decision will be made until after the next election.

American bailed Unemployment in Guinness case

defendant in the Guinness case, was arrested and charged in London with thefts totalling

Ha had travelled voluntarily earlier faced extradition proceedings brought by the UK's Serious Fraud Office in

September 1989. Mr Ward, a US lawyer and former Guinness non-executive director, was arrested at Bow Street police station yesterday morning by Metropolitan Police frand squad officers working with the SFO. He later appeared at Bow Street Magistrates Court, charged with four efforces worker the with four offences under the 1968 Theft Act.

Details of the charges were not read out in court, but the SFO said later that they involved an alleged theft from Guinness of £5.2m, two charges of false accounting relating one charge of dishonestly procuring the execution of a valuable security by deception.

MPs criticise library project

Inefficient management of the construction of the 2450m British Library has meant that the building has cost more than intended, has been delayed and is inadequate for its task according to a report

The project when it was proposed in 1972 planned to rehouse the library's London collection in a single building trelling the number of reader seats available from 1,103 to 3,440. The building at St Pancras was halved in size, after a government review in 1987, to provide an increase of just 73 seats.

Occidental shuts pipeline

Occidental Petroleum, the UK arm of the US oil company, has closed its Flotta pipeline system which carries around 11 per cent of North Sea oil, for routine maintenance. Occidental's assets will be transferred to a new operating company, Elf Enterprise UK, in early July following the purchase of the interests by rance's Elf and Enterprise

'to increase'

Unemployment in Britain will sour to almost 3m by March 1992 according to figures published by the Liberal Democrats.

The figures, calculated using Eurostat data but excluding former East Germany, showed that Britain had the fastest rising rate of unemployment at 25.8 per cent, significantly higher than any other European Community member.

According to Mr Jim wallace, Liberal Democrat spokesman on employment, this compared with an average annual rate of increase of 2.4 per cent across the European Community.

Nissan helps land sales

The expansion of Nissan's UK and Wear, boosted sales to automotive industry suppliers of industrial development land in nearby Washington in the year to March 31, according to the Commission for New

2.15

CNT's land sales in Washington, previously averaging 20 acres a year, rose in 1990/91 to 50 acres. Half this land was bought, at around £60,000 an acre, by companies with contracts to supply parts to Nissan. They included American owned TRW Valves.

Ulster rides out recession

Companies in Northern Ireland are riding out the recession because of health and competitiveness built up in recent years, the province's Industrial Development Board chairman Sir Eric McDowell

Ulster firms had been affected inevitably by the economic downturn but their fitness "has sustained many through a difficult period", Sir Eric said.

Crash liability

British Rail is to plead guilty at the Old Briley to two charges under the 1974 Health and Safety at Work Act arising from the 1988 Clapham rail disperser in which 28 dead and disaster in which 35 died and 500 were injured.



General Baron Michael Donnet, above, studies a map of Biggin Hill, the Kent striked which is staging its annual air show this weekend. General Donnet, a former fighter pilot with the Belgian air force who is opening this year's show, will be flying a Stampe bi-plane of the type which he used to escape German-occupied Belgium during the Second World War.

Ts241/6 ... KPCp51/6 ... RFL6s761/8 ... FSQp2s111/6 ... EGTs241/6 ... KPCp51/6 ... RFL6s761/6 ... FSQp2s111/6 ... EGTs241/6 ... KPCp51/6 ... KPCp51/6 ... RFL6s761/6 ... FSQp2s11 ... EGTs

UK NEWS

UK invisibles fall Soft centre at heart of competition policy to £231m in the first quarter

By Peter Norman, Economics Correspondent

THE government yesterday set by falling overseas earnings doubled its estimate of from British oil companies and British's first quarter current a drop in civil aviation reveaccount deficit after news of a

latin

mplay

..........

A. A.T. 1927 And the Pro-

e de la des

الوشقاء فحجمون

ಎರಡಿಯ ಕೊ

ian hea sales

al

profits, dividends and transfer payments between the UK and abroad, fell to £231m in the first quarter from £1.35bn in the final three months of last

year.
The first quarter invisibles figure was sharply lower than earlier estimates of a £1.5bn. surplus. The government therefore revised up the first quarter current account deficit

to \$2.59bn from \$1.32bn.

The Gulf war had both positive and negative effects on the first quarter balance of payments figures. Britain benefit. ted from 2518m in contribu-tions by other countries towards the cost of its war

sharp drop in the UK's invisition to the balance of paycaused by the Gulf war.

Preliminary balance of payments figures from the Central the outbreak of hostilities
Statistical Office showed that caused large scale stock losses, the invisibles surplus, which reflects trade in services such as travel, banking and insurance and the flow of interest, monific dividends and transfer. previous three months.

Large ecale borrowing abroad by British banks also depressed the invisibles sur-plus. Banks' net interest payments abroad rose to £2.2bn in the latest quarter from £1.7bn in the fourth quarter of last

Britain's traditional surplus on interest, profits and dividends into a substantial £653m deficit in the quarter — the first such deficit since 1980. One of the few bright spots in yesterday's figures was a sharp decline in net transfer payments overseas to just £79m in the first quarter from £1.59bn in the final quar-But this was more than off. Lex, Page 18

Robert Rice analyses the changes in doctrine on takeovers by overseas companies

ernment's tough stance on acquisitions by foreign statecontrolled companies.

For the fourth time (out of five) since Mr Peter Lilley, the trade and industry secretary.

announced last July that he would be paying close atten-tion to all acquisitions by foreign state controlled companies, the Monopolies and Mergers Commission had left him powerless to act.

His policy for preventing "nationalisation by the back door" appeared to have failed At the very least it seemed unnecessary. The so-called "Lilley doctrine" was surely a dead letter. Yesterday, in his first big

speech on competition policy.
Mr Lilley was at pains to dispel
any euch notion. The Lilley
doctrine lives on, he told a
meeting of lawyers in London.

Well was a paint to the control of Well, up to a point. Well, up to a point.

While repeating the government's commitment to privatisation and its intention to prevent "significant portions of British industry from being nationalised by foreign governments via takeovers by state owned companies", Mr Lilley indicated a change of emphasis in the way his doctrine will be

in the way his doctrine will he

To decrease uncertainty in the application of competition policy in general, he said he was keen to develop the use of precedent in the rulings of the MMC. In the past it had not always been easy for business to draw general lessons from specific decisions, he said. It followed from this, how-ever, that he too would be pay-ing closer attention to the find-

Mr Lilley indicated a change of emphasis in the way his doctrine will be applied in future which spells the end of it as a tenet of competition policy in its own right

ings of the MMC in deciding whether or not to refer future cases to the MMC.

Applying this to the five mergers involving foreign state-cootrolled companies which have been referred to the Commission since last July, Mr Lilley said it was clear that in cases involving only a limited degree of state ownership, or arm's length control by the acquirer, or small market share, or little

SINCE the clearance in May of Elf Aquitains's fively spells the end of it as a tenet of competition policy in its own right.

To decrease uncertainty in the application of competition policy in its own right.

To decrease uncertainty in the application of competition policy in its own right.

To decrease uncertainty in the application of competition policy in its own right.

To decrease uncertainty in the application of competition policy in its own right.

It was therefore unlikely to find sufficient specific evidence that they were against the public interest.

that he would in future refer cases involving acquisitions by foreign state controlled companies where the degree of state control, the size of the company, the market share, the likelihood of exercising influence in the particular market and evidence of anti-competi-tive behaviour elsewhere, were small, he said .

The implications for cases involving the acquisition of a large market share with a high hands-on control and evidence of enti-competitive behaviour were equally clear, however.

What Mr Lilley appears to have signalled is a return to the position prior to July last year. The MMC has stressed on a number of occasions that a number of occasions that state-control can be a factor

state-control can be a factor which requires investigating during the normal course of an inquiry into a proposed merger. The MMC addressed precisely this point in its 1988 investigation of the acquisition by the Kuwait investment Office of shares in BP.

What is now clear, and what Mr Lilley appears to accept, is that in the absence of sound reasons for referring a proposed merger on competition

grounds, state control is no hy the inability of the Fair longer a good enough reason Trading Act to deal adequately Trading Act to deal adequately on its own for launching a with a spate of "creeping full-scale MMC inquiry. The 1984 policy which made compeacquisitions' Under such a strategy a company growe by acquiring a series of small competitors each of which may have only a tiny market share but which tition the primary criterion of merger reference policy is

undisputed king once more.

Apart from this change of emphasis in the application of the Lilley doctrine, he said little to indicate that his vision of competition policy varies to any great extent from that of his predecessors.

He reiterated the govern-

Apart from a change of emphasis he said little to indicate that his vision of competition policy varies to any great extent from that of his predeces-

ment'e opposition to national and Euro champions and to state aids and reaffirmed ite ship, eoterprise and the promo-tion of competition.

He did indicate, bowever, that the government is not opposed to changes in policy to meet new situations. The government'a recent

ing with cartels are inadequate he could give no indication of when the government will introduce legislation promised in 1889 to do this.

In the meantime be urged companies which feel they have been adversely affected by a price fixing agreement to make use of the existing law to sue the guilty parties for comattempts to slow the pace of takeover activity in the bus sue the guilty parties for com-

ends in the company dominat-

To deal with this Mr Lilley said that where, undar a

merger reference, the effects of

a particular acquisition are unlikely to be found to operate

against the public interest, be

will in future consider whether

a monopoly reference should be made as an alternative,

allowing a full investigation of the effects oo competition of an acquirer's domination of a

particular market.
He also reaffirmed the government's commitment to

eriment's commitment to stamping out cartels and other price fixing agreemeots. Despite acknowledging that the present powers given to the Office of Fair Trading for deal-ing with cartels are inadequate

ing the local market.

Strikers end occupation of city building

STRIKERS occupying a conncil security centre in Liverpool yesterday left the building before a move to evict

them took place, writes lan Hamilton Fazey.

The strikers claimed their action had been a protest egainst 1,000 rednadancies

planned by the council.

Council officers believe that
all but about 200 of the redundancies have been achieved. To prevent repetition, council officers were planning to serve the injunction on the General, Municipal and Boilermakers union, to which the

Liverpool has now had 10 weeks of industrial action against its plans to reduce staff oumbers and balance its bodget. Strikes or overtime bane bave closed honaing offices and left 12,000 tonnes

of rubbish uncollected.

Mr Harry Rimmer, the council's Labour leader, said yesterday that the city had offered to open its books to a representative body of national trades union leaders, with arbitration by the Labour-dominated Association

of Municipal Aothorities.

Mr Rimmer said the unions had greed to talk only if the redundancies were withdrawn. We cannot do that without ending np with an illegal bnd-get, which we will not do."

Government urges unity over Europe

By Raiph Atkins

GOVERNMENT ministere' yesterday launched a concerted effort to bring Conservative Euro-sceptics to heel, amid growing pressure among Tory backbenchers to avoid damaging splits over the UK's stance on economic and monetary

At a meeting last night of the Conservative backbench Europe committee several MPs complained about divisive remarks by Mr William Cash, the committee's chairman and prominent anti-federalist. Mr Norman Layout the Mr Norman Lamont, the chancellor of the exchequer, told the meeting Britain would

seek to negotiate the best deal on Emu and would not close on kmu and would not close off any options at this stage. The government's efforts were set back, however, by the insistence of Mr Nicholas Rid-ley, a former cabinet minister, that the issue of Europe was

He said: Those who say we must silence all argument on

Thatcher, the former prime minister, could not be expected try to make her into a Trappist



more important than unity

majority of backbench Tories had been made clear Supporters of the mainly ley, a former cabinet minister, that the issue of Europe was more important than party selves from its leaked memorandum suggesting that the prime minister was ready to cave in to pressure from other

The Conservative Europe



BUYING A BENTLEY RIGHT NOW BUSINESS DECISION YOU MAKE THIS YEAR.



Take the opportunity and visit your authorised distributor.

Even in the current economic climate there are STILL FIRST CLASS BUSINESS OPPORTUNITIES FOR THOSE PREPARED TO LOOK FOR THEM.

FOR EXAMPLE, THERE HAS NEVER BEEN A BETTER TIME TO BUY A NEW BENTLEY MOTOR CAR.

THE PRICES OF PREVIOUSLY OWNED ROLLS-ROYCE AND BENILEY MOTOR CARS ARE INCREASING PERCEPTIBLY AND

THE MARKET VALUE OF YOUR PRESENT MODEL WILL UNDOUBTEDLY REFLECT THIS

WHICH MEANS THERE ARE SOME VERY SOUND REASONS INDEED FOR INVESTING NOW IN THE MOST PRESTIGIOUS SPORTING MARQUE ON THE ROAD.

FOR DETAILS OF THE ROLLS-ROYCE AND BENTLEY AUTHORISED NETWORK TELEPHONE 071 629 8646







Find out what Investment Capital could do for you and your business. Read the 3i Guide to Investment Capital in the Financial Times on Tuesday.

TECHNOLOGY

Invisible dog-fence takes the biscuit

cross between an elec-trical fence and an electronic tagging sys-tem, pioneered in the US, is now finding a home in Europe

as a way of confining dogs within gardeo boundaries. Adrian Stear, who runs the Dorchester-based arm of Invisble Fence, of Berwen, Penn-sylvania, is quick to point ont that the type of technology used, and the expense of it, does not make it suitable for all dog-owning households. But for those with "a deep

pocket, a fair acreage and a dog that's a nuisance", as Stear pnts it, the invisible fence could relieve owners worries about whether their animals are destroying prop-erty or attacking anyone. The three components of the

faccing system are a wire which runs round the perimewhich runs round a radio transmitter which can be housed in the garage and a small box which the dog wears under its collar. In the US, where wide expanses of fenceless lawns are commoo, the wire fence is often buried just below the surface of the grass.

If the dog comes within 10 feet of the "feoce", which

senses the animal's presence, a radio signal is sent from the transmitter to the box under the collar. This emits a buzzing sound, warning the dog to move back: if it does not the dog receives an electric shock.

"The dog usually receives two abocks in the first week and that's thet," says Stear, who has installed the invisible fence in 280 UK homes, which have np to 600 dogs between them. Many of the dogs, he says, have overcome traditional barriers such as gates or fences. 'I tend to pick up the tronblemakers, and the athletic tonblemakers at thet." The system costs about £670

for one dog, and £820 for two.
As well as this ontiay the dog
owner needs a large enough
garden to ensure that, with 10
feet lopped off all the edges as a dog "no go" area, there is still enough space left in the centre of the garden to allow the animals to wander around.

The summit of the 300-metre high hill that dominates the Ayelnm open oit affords a bird's eye view of the heart of Ghana's gold industry. The town of Obussi, home to the Ashanti Goldfield Corporstion, rests among the surrounding forest and fertile bush.

The winding gear of the deep-shaft mines stand tall above the trees, giant wheels turning, while the main ore-treatment plant, its mechanical whire inaudible from the vantage point of the hill, is highlighted by the plume from its smoking stack.

In three years' time, how-ever, the hill will have disappeared and in its place will be a 200-metre deep valley. The expense and logistical problems of such a task are immense but the introduction of technology relatively new to the gold mining industry means that extracting the metal from the hill's surface deposits is profitable eveo though there is only about 1.5 grams per metric tonne. Already three surrounding hills have been levelled in pur-suit of the metal. The altered landscape

reflects the changing operations and management of AGC, which is owned 45 per cent by Lonrho and 55 per cent by the government of Ghana. in 1985, coinciding with a revi-sion in the law which increased from 20 per cent to 45 per cent the amount of for-eign exchange receipts that could be retained abroad, the company undertook a \$150m (£90m) rehabilitation package financed in equal portions by re-investment and an International Finance Corporation

Last year a \$90m develop-ment plan was initiated, financed one-third by re-invest-ment and two-thirds by a second IFC syndicated loan. And in September a further pro-posal is expected to be placed before financiers for a major expansion and mechanisation programme of the underground mine requiring in excess of

(IFC) syndicated loan.

taken has resulted in an increase in production from 243,000 ounces in 1983 to 400,750 last year with produc-tion in the current year expec-ted to exceed the initial target of 530,000 ounces. While a new 2,600-foot shaft was commissioned two years ago and the adoption of contract mining teams has improved productive ity, the increase in output has mainly been due to the intro-Della Bradshaw | duction of large-scale surface

William Keeling on how Ghana's gold industry has profited from a modernisation programme

A rainbow over Obuasi

mining and the retreatment of old tailings. Together, these are projected to account for more than 40 per cent of total output this year.

Of the 300,000 tonnes of surface oxide ore currently mined each month, the higher grade ore above 1.5 grams per tonne is treated in a 200,000 tonne per month oxide ore plant. Built by Minproc of Australia, the \$28m plant was commissioned in March, less than 12 months after the contract had been signed. At the plant the ore is ground and passed through a carbon-in-leach process which separates the gold from the

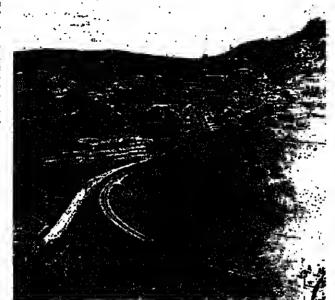
The gold is recovered by means of electrowinning from a cyanide solution in which it has been dissolved. The cathode used is similar to steel wool. The product, as Tony Hopkins, the surface mines manager, explains, is "a golden looking shaggy rug" which is then smelted, resulting in gold of 99.4 per cent purity. The other 100,000 tonnes of

lower grade ore are processed by means of heap-leaching. The ore is crushed and mixed with per cent concrete before being placed in 25ft beaps upon an underlay of impermeable plastic which covers gently sloping pans measuring 70 metres by 30 metres.

A mild solution of cyanide is sprinkled on the heap and

then, having permeated through the ore and dissolved the gold, it is collected as it runs off the pans. The solution is treated through a similar carbon-in-leach process as that used in the oxide plant to recover the gold. Against the advice of its con-

sultants, AGC is experimenting with a second line of ore heaped noon the first. Initial concern that the lower heap would inhibit the seepage of the cyanide solution has been discounted and significant cost savings have been schleved by halving the number of pans required for the operation.
While the capital costs of the



Technology is changing the face of Ghana's Obuasi mine

heap-leach technology are low, operating costs remain high and the recovery rate of gold from the ore is just 65 per cent as against the 95 per cent recovery rate from the oxide

treatment plant.
The technology used at the surface mine is far-removed from the old type employed at AGC's main sulphide-ore plant which treats the underground high-grade ore and quartz. The sulphide-ore passes through a complex system of grinding, milling, de-sliming and roasting, and is turned at differing stages from hard black lumps of ore into a slurry, a bubhling froth and a cake before being turned back into a solution as thick and dark as

Carbon and cyanide are again used to concentrate and dissolve the gold which is finally secured by mixing pow-derised zinc into the solution. This releases the gold from the cyanide and the precious metal is collected as the solution

passes through 100-year-old

Johnson presses.

In what may seem a strange irony, the highest grade ore is treated with the oldest technology. This is at its most extreme with the "free" gold which is panned out of the finely milled quartz. While new panning tables have recantly been installed, the gold which trickles off the tables is passed through a common kitchen sieve and collected in a dented metal miner's hat.
As Geoffrey Taylor, Gold-

snperintendent, explains, holding a pair of smeltad "buttons" worth \$78,500, the free-gold is col-lected "for absolutely no work

But perhaps the biggest change taking place is in the management structure of the company, a move necessitated by its expanding operations. With the managing director besed at the company head-quarters in Accra, the mine management at Obuasi was

headed until the mid-1980s by a general mine manager to which all the departments -such as production, adminis-tration, engineering, security, medical and forestry -

reported. The introduction of a strategic planning department, along with a study of AGC by outside consultants, led to a re-evaluaconsultants, led to a re-evalua-tion of the company's future activities and development. With the advent of the surface mine, known as Sansu, the mining operations have been split into surface and under-ground with separate general managers, mine managers and mill managers, as well as dedi-cated engineers and geologists. The rest of the company's activities have been grouped under two new headings, corporate services and finance, which also have separate general managers. The four general managers currently report eral managers currently report

general manager of the under-ground Obuasi mine. The rationale behind the new structure is that under-ground and surface minas require different ekills and areas of expertise, and that greater efficiency can be achieved through the polarisation of functions between those which are production hased and those which are support

to the managing director in

Accra, although a co-ordinat-ing role is performed by the

The new structure can better accommodate the growth in mining activities, so that when AGC undertakes the planned development of its alluvial deposits a further mine, similarly endowed with its separate management, can easily be added.

The intention is to turn AGC from a one-mine company into a company operating a group

The new structure and approach is likely to be put to the test when the proposed underground expansion programme comes on stream. The workforce, which has already been reduced by about 25 per cent to 10,000 strong, will be cut still further as the company attempts to mechanise its operations.
This, in turn, requires the

adoption of new technology and the development of further managerial and production akilis. With AGC planning to increase output to im ounces by 1936, and likely to account for at least one-third of Ghana's foreign exchange earnings, the economic future of the country will become ever more reliant on the operational efficiency of the company.

Careers in research

By Jeremy Bray

sk any group of science sk any group of science students in a good department why they are doing science. The commonest reason they give is not that they are good at it, though they are; not that it is useful to society, though they think it is; not that it will be well rewarded in working life, which at present it is not it is which at present it is not; it is that they find it the most inter-esting subject they could

Ask a similar group of their

Ask a similar group of thair seniors by 20 years, and you will find a most frustrated group of people. What has happened in between? The science remains absorbing, but the means and rewards of pursuing it have become difficult. Many contracts are short term, and long-term prospects are uncertain. Facilities, equipment and support staff are lacking. It is impossible to get funding for many top-rated research projects. There is no smooth path into other employment. And salary levels in universities and research councils are low compared with the private sector and overseas.

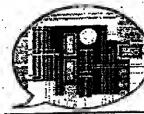
Personnal policies in research are still basically an elimination dance. Tha post-doctorate research assistant

doctorate research assistant who has held two three to five-year contracts and who cannot get a temured post is regarded as a waste product of the research system. Yet he or she is a highly trained and experienced scientist.
Top US business schools

keep career records of their alumni because their earnings are the best advertisement to attract new students. Yet Brit-ish research councils keep no record of their past grant hold-ers or even principal investiga-

There are, of course, many senior scientists who take a life-long interest in their former students and assistants, and there are famous schools and there are tamous schools made up of supervisor-student trees and chains. But is that enough? Is science itself best served by such a tradition?

The British Computer Society thought not in its own diverse field of professionals. In 1985 it introduced a professional development scheme for "applying quality control to the practical experience and training of individuals making



GUEST COLUMN

a career in the IT industry It maps the experience of the individual against an industry model. It involves individuals with planning their own careers and setting goals. It secures industry-wide recogni-tion of competence and perfor mance. By now some 70 organi-sations have adopted the BCS scheme, or versions of it.

The Engineering Council is now establishing a national system of Continuing Professional Development, aimed at a

sional Development, aimed at a similar arrangement across the whole engineering profession. Typically, successful senior scientists will tell you of the dodges they get up to in order to avoid training in teaching methods, departmental management and the like. It is boring and a waste of time. In agentant and the little. It is obtained and a waste of time. In their own science, the np-dating is a part of the research.

A different picture emerges from a recent Institute of Physics survey of their members in high-technology Industry. Some 69 per cent of respon-dents said their training needs were assessed regularly; 53 per cent thought their employer had a well-conceived policy:

and 44 per cent thought that it was well implemented. Research is going to remain a demanding, high-risk career, with mainly internal rewards. But there does seem to be scope for a sensitively designed development scheme for research scientists, spanning academia, the research coun-cils and industry, that is well directed at ecientists' needs and interests. It will become more useful, not less, with the better levels of research fund-ing that we believe are needed and must be found. It is no substitute for better funding.

The author is Labour Porty

MANAGEMENT: Marketing and Advertising

1971

be queoes are not always as long, and the burgers may not be as good as they used to be, but the Hard Rock cafe in central London - the pace-setting res-taurant of the 1970s - tomorrow celebrates its 20th anni-versary with all the usnal marketing razzmatazz thet has made it a home for visiting rock stars over the years and a

mecca for tourists. Earlier this week, for example, it reverted to 1971 meon prices for one day and achieved its longest ever quene in a year when the dearth of international tourists - especially Americans - looked likely to diminish the infamous waiting-in-lina time to more reasonable propor-

But, in spite of all the care-fully-orchastrated hype, the marketing formula that has achieved international recognition – there are now some 26 Hard Rock cafés worldwide (the Rank Organisation now owns the London, New York, and Orlando cafés along with four others) – is facing tougher competition in the 1990s in its original London

Its niche in the style-setting burger market - a step op from McDonald's but offering less than a full-service, ham burger-based restaurant - is under threat from newcomers such as Ed's Easy Diner. Johnny Rocket's, the Rock Island Diner, and the TGI Fri-

day's chain. All offer a relaxed eating style aimed at the haby boomer generation seeking a fast - but not that fast - food operation that is easy on the pocket but still has style.

Nostaigia is the key; most of the new-wave restaurants have 1950s decor - often playing

Word-of-mouth advice relished

David Churchill explains how the Hard Rock café exploits its niche in hamburgers

golden oldie records from indi-vidual juke-boxes – and brash serving staff. It is American kitsch culture at its best (or worst, depending on your But when Hard Rock first opened its doors in 1971 it offered a revolutionary con-cept in the eating out market which was in its infancy. At

that time, a Wimpy burger bar was the height of mass-market leisure eating; McDonald's, for example, still had to set up its stall in the UK market. Over the past two decades, moreover, eating ontside the home has become the UK's big-gest single leisure market – accounting for over £12bn a year of all consumer spending. Even in a recession-battered economy, market research chows that people still want to eat out when they can, even if they have to trade down from

more upmarket restaurants. What Hard Rock brought to the leisure business, however, was the concept of theme esting. Two young expatriate Americans decided that London not only needed a good burger and ribs restaurant but also a spiritual home for the

rock music industry. The London Hard Rock site, overlooking Green Park in central London and only a stone's throw from such bomes for Americans abroad as the Hilton and Inn on the Park hotels in Park Lane, has

just one thema: rock music memorabilia. It claims to have

the largest such collection in the world, including such mementoes as the last guitar smashed by Pete Townshend of Who fame. While the restaurant's walls are cinttered with anything and everything connected with

rock music, diners sitting cheek by jowl are blasted by non-stop rock music which keeps gawping tourists happy but does little to stimulate intelligent conversation. But what has kept Hard Rock at the top of the themed eating ont husinese for the past two decades has been the tested and true (but sometimes forgotten) marketing approach: word of mouth.

Hard Rock has not and does not advertise; it lets its customars nay for the privilege by

tomers pay for the privilege by hnying and wearing its T-shirts and other merchandise around the world. Almost half its revenue (about £50m worldwide) comes from merchandising - everything rang-ing from the £10 T-shirt to £150 or more for leather jack-

With an average spend of just £9 per head in the London Hard Rock, it actually costs customers more to buy a T-shirt than to eat. But so stylish has wearing a Hard Rock T-shirt become that it is copied throughout the world in countries where much of the population has only a hazy idea of what a Hard Rock café actu-ally is.

concert is held, the stars are always invited in; during don fortnight a party is held for the players. No mat-ter that the stars never seem to be in the Hard Rock at the

in the image stakes has been its legendary queue for tables, which can take anything up to two hours. Any restaurant that has people actually pre-pared to queue (or wait in line in American parlance) must be good, so bemused passers-by tell their friends. Some 11m people alone have queued at the London café over the past two decades. Yet the suggestion that sometimes people are kept waiting outside just to reinforce the image, when tables are available inside, is vigorously denied by Davies. The famous, however, have no such problems; a special gold card pass enables them to jump the line whenever they

want to and with few com-

plaints from those in the queue. "It makes their day," points out Davies.

"Obviously we don't want to lose out through these plrate T-shirts but it certainly helps keep our name well known," says Gary Davies, manager of the London Hard Rock.

The image which customers spread all over the world has been carefully nurtured. First has been its links with famous - and not-so-famous - rock stars and show business personalities. Whenever a charity rock

same time as you are there just being in the same restaurant as they are reported to
have visited is good enough
for most customers to tell
their friends when they get

home. But Hard Rock's real coup

glitzy imagery. NatWest and Barclays used advertising to present them-selves to small businesses as catalysts for growth by promo-ting the credit-related services



It can also, as Britain's banks are discovering, make a company's customers very angry indeed. Some clearing banks, or so say their critics in the small business lobby, are now in danger of spending a great deal of money on the wrong type of advertising. In the past weeks or so the National Westminster and, to a lesser extent, Barclays, have been criticised for running television advertising campaigns extolling the merits of their small business services just when they were being attacked for their treatment of small

"THE wrong advertising," opined David Oglivy, founder of the Oglivy & Mather adver-

tising agency and a doyen of copywriters, "can actually

reduce sales of a product."

companies.

The criticism of the banks' advertising could be dismissed as yet another round in the battle between the banks and the small business lobby. But the criticism of the banks raises questions about the role of advertising for the banks in

the depths of recession.

Ironically, perhaps, the latest campaigns from both NatWest and Barclays were intended spacifically to address the campaigns around a grant basis. changing needs of small busi-nesses from their banks. Small businesses hava

always been a lucrative target market for banks. It is notoriously difficult to persuade com-panies to switch their accounts from one bank to another. So the hanks tend to concentrate their corporate advertising on the small company opening a bank account for the first time. NatWest and Barclays are by far the most aggressive banks. Both allocate a sizeable chunk

of their advertising budgets to campaigns targeted at small companies. NatWest's overall advertising expenditure was £27m and Barclays' £15m in the year to April, according to MEAL, which measures UK ad In the buoyant economic cli-

mate of the 1980s the banks' small business campaigns, like other financial advertisements, reflected the go-go, "greed is good" ethos of the era through



From glitz to the caring era

Alice Rawsthorn on the criticism aroused by the banks advertising to small businesses

Barclays' campaign, 'Solitude' (left) and 'Pride', is the product of research into attitudes of small business owners

such as overdrafts and loan facilities - that were popular when interest rates are low. When the economy slipped into recession these themes became increasingly irrelevant. The Big Bang imagery and instant overdrafts were no longer so appealing to small companies at a time when they were struggling to service their

The current crop of bank advertising has adopted a very different tone from that of the different tone from that of the 1980s. The imagery is softer and more subdued. The emphasis of the new campaigns is on presenting the bank as a friendly source of support for

The latest commercial for NatWest, "The Greengrocer's Son", which ran on TV until late last month, is typical. The commercial, devised by Bartle. Bogle Hegarty, features a local branch manager in a picturesqua country town musing over how his father's greengro-cer's shop could have benefited from the sort of service his bank now offers to the town's small businesses.

Ian Schoolar, head of communications planning and development at NatWest, describes the commercial as a deliberate attempt to project a down-to-earth, acceasible

image for the bank.
"We want to give the impression that NatWest is not a faceless bureaucracy, hnt has a human, approachable and easy-to-talk-to image," he says.

"That is why we talk about the personality of the hank through members of staff. Viewers ought to think of our bank managers as the sort of guys they wouldn't mind having a chat with."
Similar themes are reflected

in Barclays' latest small business campaign created by the Yellowhammer agency. "Pride" and "Solitude", the two com-mercials in the campaign, are both composed of stylised monochrome images of enter-prises such as a florist and a poodle parlour. The campaign slogan is "Business without the financial hassles. It's already a pleasure for some. You're better off talking to

Barclays".
"Pride" and "Solitude" are the product of research into the attitudes of the owners of small businesses. Michael Kill, business sector marketing director for Barclays, says the research identified "a series of emotions which were very powerful among the owners of small companies."

"One was a feeling of pride in what they were doing and that they were doing what they wanted, not what someone told them to do," he says. "The other feeling was one of soll-tude because running your own business is a risky affair."

The aim of the new campaign, according to Kill, is to "demonstrata "Barclays' understanding of how it sees its role" and to emphasise that the bank recognises "it's their

These softer, folksier themes are echoed in the latest consumer advertising campaigns from Lloyds and Midland, the other two big clearing banks, neither of which is currently involved with small business advertising.

The latest Lloyds campaign created by the Lowe Howard-Spink agency, is a series of soap opera scenarios revolving around the local newspaper in

a small country town.
The Midland ads also emphasise accessibility. Chiat Day, which became Midland's agency last year, has devised a series of commercials telling the "life stories" of real Mid-land account holders, told in their own words and illustrated by their own anapshots. All the banks are convinced that they have adapted their advertising to suit the recesslonary mood of the moment. But whan the brouhaha between the banks and the small business lobby began, the NatWest and Barclays commercials - casting the banks in the role of the "small busi-nessman's friend" - simply fanned the flames of the

NatWest, which has borne tha brunt of the criticism, stopped running "The Green-grocer's Son" two weeks ago. However, it insists the campaign was always scheduled to end then and that its advertising strategy has not been affected by the controversy. NatWest now plans to press ahead with the rest of its long-term advertising programme with RRH gramme with BBH.

Barclays is continuing with the "Pride" and "Solitude" campaign, which started ten days ago and will run for another two months. It also maintains that the campaign forms part of a long-term strat-egy which has been unaffected by the small business furore. Meanwhile Girobank, which

even in the go-go 1980s adopted a lower profile than other banks, has responded in a characteristically subdued manner. Last week it ran a newspaper advertisement beginning "If we were lika other banks, we'd save a for-tune...we'd spend our money on opulent high street build-ings and the like" – and then went on to explain why it

ORG



al











Ohnson Wax



Mobil













ORGANON



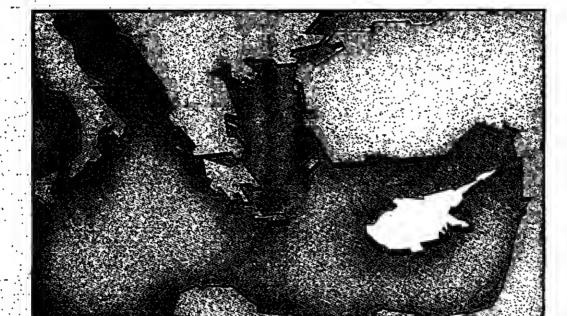
an ner













INTERGRAPH





Raychem





THE BANK FOR FOREIGN ECONOMIC AFFAIRS OF THE USSR



FOR MORE INFORMATION PLEASE CONTACT: THE CENTRAL BANK OF CYPRUS



International Division



YOUGO - ARAB CO



36 Metochiou Street Telephone: 357-2-445281 P.O.Box 5529 Telefax: 357-2-472012 Nicosia - Cyprus Telex: 2424 Central Cy

Linotype

IMPACT/BBDO

FINANCIAL TIMES CONFERENCES

WORLD MOTOR

Frankfurt 11 & 12 September 1991

This high-level meeting, timed to coincide with the Frankfurt Motor Show, brings together a most distinguished international panel to debate the challenges and opportunities facing the motor industry in the coming decade. Speakers taking part include:

Mr Robert C Stempel **General Motors Corporation**

Dr Carl H Hahn

Mr Yutaka Kume Nissan Motor Co, Ltd

Communities

I am interested in exhibiting

A FINANCIAL TIMES INTERNATIONAL

CONFERENCE

Mr Martin Bangemann Commission of the European

Ing Paolo Cantarella Fiat Auto SpA

Mr Robert A Lutz

Chrysler Corporation

Mr L Lindsey Halstead Ford of Europe Incorporated

Mr Junji Numata Toyota Motor Europe Marketing & Engineering/Toyota Motor Manufacturing (UK) Limited

Mr Jürgen Hubbert Mercedes-Benz AG

Mr Sten Langenius **Volvo Truck Corporation**

Mr Noël Goutard

Mr Chung, Se Yung Hyundai Business Group

Financial Times Conference Organisation 126 Jermyn Street, London SW1Y 4UJ, UK

BUSINESS LAW

Czechs set the pace on reform

By A H Hermann

AFTER receiving the assent of the two republican governments, the draft bill of a commercial code has now been approved by the federal government of the Czech and Slovak federal republic. It should be introduced into the federal reprisoners this month and the parliament this month and the government hopes for its enactment in the autumn, so that it can come into force on

January 1 1992. With the exception of eastern Germany, where the West German commercial code was adopted by the signing of the Unification Act, the Czechoslo-vak commercial code will be the first significant move in central and eastern Europe towards a comprehensive legis-

lation fit for business.

It will not simply revive the commercial code enacted in 1862 for the Czech crown lands (Bohemia, Moravia and Silesia) and Austria, nor the Hungar-ian commercial code of 1875, which after 1918 remained in force in Slovakia; instead it will in its 400 sections draw heavily on the 1964 foreign trade code.

Among all the anti-business legislation of the period the 1964 code stands ont as a remarkably progressive stat-ute, based on the concept of freedom to contract, meeting well the contemporary require-ments of international trade.

However, what wes up-to-date in 1963, when the foreign trade code was finalised, may not be so today. In the past two decades business law has made great advances, particularly the fields of particularly in the fields of credit and banking, securities, insolvency, liability for civil wrongs, and competition and monopoly control.

Because of the common foundation of the central European civil and commercial laws - the German commercial code of 1897 was adopted in Austria after its Anachluss to Germany in 1938 - the new commercial code is bound to be influenced by recent German and Austrian legislation. Although this is perfectly reasonable in view of the affinity of the three legal systems, it would be a pity if some of the new developments of the new developments of the Anglo-American financial and antitrust laws were not also

taken into account. Czech and Slovak lawyers will have an opportunity to learn about the recent developments of UK and EC business law from UK academics and practitioners at a seminar arranged by the British Czechoslovak Law Association in Prague on June 25-27.

A certain neglect of legal developments that have taken place in the UK and the US is evident from the new insolevident from the new insolvency bill now before the federal parliament. Although this is clearly e stop-gap measure, based mainly on the Czechoslovak Insolvency Act 1931, terminated in 1950 as part of a wholesale "socialisation" of business law, it would have benefited greatly the unavoidable restructuring of industry able restructuring of industry if it drew some lessons from the US and UK legislation pro-viding for the administration of insolvent enterprises as going concerns. Rescue, rather than sell-off of assets will be

needed in many cases.
Instead, to soften the impact,
the new Czechoslovak insolvency legislation will come into force only gradually, so that in the first year - a period one fears may be extended — insolvency proceedings would be mandatory only when assets do not meet obligations and not when debts

cannot be paid because of lack of liquidity. Moreover, where the unsatisprice are other state enter-prise are other state enter-prises, these will require an approval from the ministry of finance to be able to press for the appointment of a receiver and the opening of insolvency proceedings.

proceedings.
Such a half-hearted approach
to financial discipline is particularly dangerous in the
absence of e proper basis for
the valuation of assets, which gives enterprises almost unlimited possibility to claim that though insolvent, they should

be allowed to carry on because their assets are sufficient though not necessarily liquid.

In the case of state enterprises – with a few exceptions the entire industry and wholesale trade fall into this category - political muscle will often protect even those who cannot claim a sufficiency of non-liquid assets.

A benevolent administration,

aiming at e rescue, where it is possible, without exposing the creditors to a domino effect, would be better both for those directly concerned and for the entire economy.

vatisation laws, adopted earlier this year, are too soft and open ended. Where the expropriated enterprises are so amalgamated with the present state enterprise that divestment is impossible, the former owners are offered a maximum sum equivalent to £1,200 and of this

only half in cash.
As legal costs are likely to be as legal costs are likely to be greater than what can be recovered, few will bother to claim. Foreign owners and Czechoslovak citizens resident abroad are excluded from any restitution altogether; this is

restitution altogethem this is likely greatly to deter the inflow of entrepreneurial skills and of capital.

The Transfer of State Property to Other Persons Act of February 26 1991, better known as the "big restitution" law, does not differ anbstantially from the methods adopted for the privetisation of eastern German industry, pivoting the German industry, pivoting the transformation on three national property funds, one

federal and two republican. But it does not say how things will be done in practice, leaving blanks to be filled in hy government regulations where it should have defined the statute and powers of the funds and, at least, the princi-pal guidelines for their opera-

There is hope that the Czech government will explain its intentions to western delegates attending an International Bar Association conference on privatisation in central and eastern Europe in Prague on June

23-26.
The conference will be addressed by Dr Petr Pithart, the Czech prime minister end Mr Tomas Jezek, minister for

national property administra-tion and privatisation.

Czechoslovak privatisation deals concluded so far with western enterprises have raised about 23.9bn in investraised about 23.9bn in investment inflows (compared with
2500m in Hungary and some
250m in Poland), but an overwhelming share of this is from
Germany. Czech ministers
have repeatedly expressed the
desire for a better geographical
spread of foreign investment.
The conference, and the opportunities for informal contacts
which it will provide, could which it will provide, could perhaps help towards this end. Of particular interest will be

trade and tourism. She is responsible for retail and wholesale trade, a sector which in the UK is well developed

and capable of exporting its Privatisation of retail distribution seems to be proceeding apace: in Prague alone, private entrepreneurs have acquired in

entrepreneurs have acquired in the first four months of this year 73 restaurants. So food stores, and 627 other shops. However, there are still important obstacles to be over-come and mistakes to be cor-rected. The gravest mistake was probably to leave the giant, industrial and wholesale distribution monopolies with e distribution monopolies with e free hand. The Economic Com-petition Act of January 30 1991 gave the government power to move against abuses of market power by dominant enterprises but nothing has been heard

of it since.
As a result industry and the wholesale trade have increased prices more than necessary

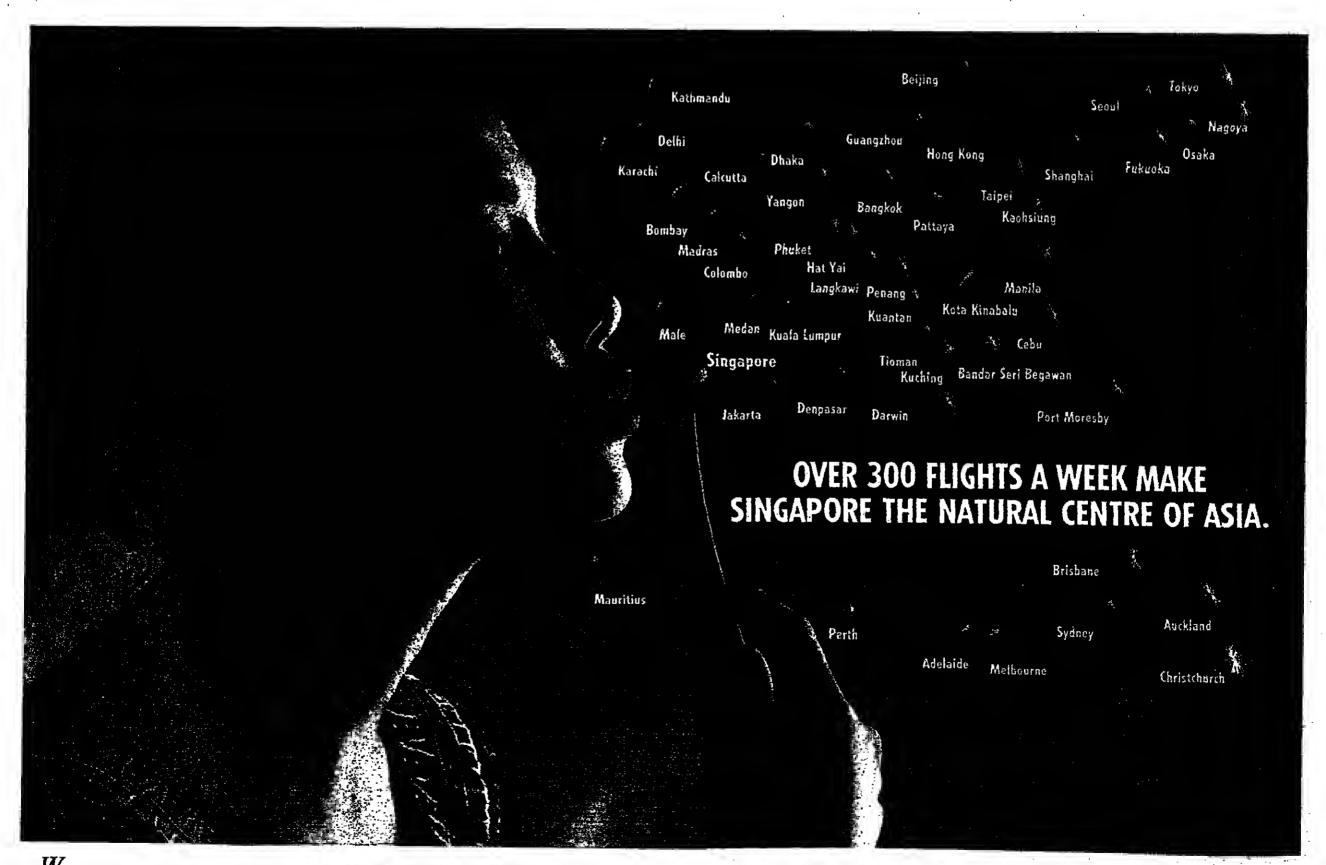
prices more than necessary a problem well known in the UK from the practice of its privatised monopolies.

Although not admitted officially in Prague, food prices have risen by 40 per cent and by 60 per cent for other consumer goods since January. Though this may be only a short term problem, it is undermining confidence in economic reform and — 25 wares nomic reform and - as wages are kept low by taxing employ-ers' wages bill et very high improvement of work disci-pline. Understandably, employees whose incomes are pegged are seeking additional income by moonlighting.

The other main weakness of the present developments is that in spite of President Vac-lay Havel's wide ranging trav-els as part of Gzechoslovakia's political reintegration into Europe, the country, as far as foreign investment is coucerned, has attracted little interest other than from Germany. But this may not be

information on the Prague conference available from the IBA, 2 Harewood Pl, Hanover Sq, London WIR 9HB, Fax 071 409

Senior Research Pellow in Inter-national Trade Law, at Queen a presentation by Mrs Vlasta Stepova, the Czech minister for Mary and Westfield College, University of London.



Thursday June 13 1991



The tongest road and ocrats in the two countries rail bridge in Europe - between Skane in

Sweden and Zealand in Denmark - is set

to get the go-ahead soon and be completed by 1998-99. But will it demolish the psychological "wall" down the middle of the Oresund straits? Robert Taylor Investigates

Long bridge, high hopes

THE ORESUND promises to with the amount of paper the become a recognisable and distinctive region of northern one jaundiced observer of this

Europe during the 1990s. Today few of its 4m or so inhabitants, are even faintly aware of this. But this is about to change for those who live either on the island of Zealand in and around Copenhagen, Denmark, or just across the waters of the Oresund in south-west Sweden, centred on the industrial city of Mahno and the university town of Lund.

In the next 10 years the area will be rested or the property town of Lund.

will be transformed thanks to the construction of what willbe Europe's longest road and rail bridge providing the first physical connection between

Denmark from Sweden. When the SKr12-20bn (£1.1-1.9bn) 17.4km project is completed, by 1998-39 if all goes to plan, it will end a debate that has raged on and off in both countries since 1872 when engineers first suggested a 4km rail timinel to link the Swedish port-of Helsingborg with Hamlet's Elsinore across the Oresund at

its narrowest point.

No other subject has aroused such passion between Danes and Swedes over the generations as the question of a physical link over the Dresund.

"You could build a bridge just could build a bridge just bridge project. The Social Dem-

have thrown their weight behind the project although it was only last autumn that Mr Ingvar Carlsson, Sweden's prime minister, secured his

particular Nordic saga. But at last the final go-ahead

is expected this summer from both the Danish and Swedish

parliaments. Yet even today, there is nothing like unanimity in either country over the wis-dom of the venture.

dom of the venture.

The environmental movement continues to oppose it on the grounds that the traffic generated by the bridge will pollute the area. It seems unlikely, however, that at this late hour any rearguard protest action will succeed in stopping the Oresund scheme.

Nonetheless, genuine concern for the bridge's impact on the environment, particularly its effect on marine life in the Oresund waters, will be an important consideration during its construction and eventual operation. The current pricing

party's commitment.
For many Swedes, the Oresund has become a symbol of their determination to abandon traditional isolation and join the European Community as soon as possible. On the political agenda in both countries the road-rail bridge is one of the issues that divides modernisers from traditionalists. Its construction cannot but

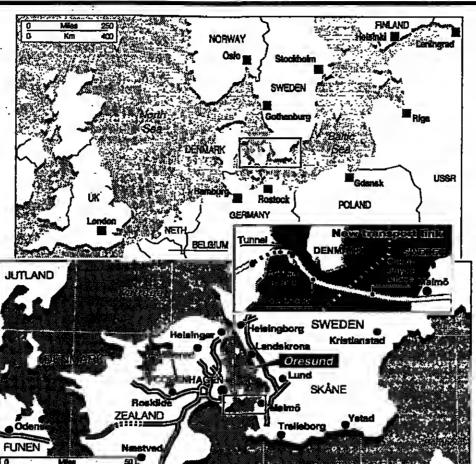
make an impact on both countries. But the bridge alone will not create a coherent, self-assertive Oresund region.

Already it looks as though it will not become — as many expected — the obvious main ronte for transporting bulk cargo between Sweden and continental Europe. The unification of Carrony has considered. cation of Germany has opened up that country's eastern ports Rostock and Sassnitz to increased trade and in turn strengthened merchant ship-ping prospects for Trelleborg in south-west Sweden. Moreover, until a bridge or

tunnel crosses the Femern belt that separates Germany from the Danish island of Lolland, heavy transport will still have to take a round-about route via Jutland to reach Germany. The Oresund bridge looks like being more vital for the movement of people than goods, less to do with building links to the continent and far more with giving an overdue boost to a long-neglected region.

Ten years ago, some locals described the Swedish province of Skane as the country's Sicily. The comparison was absurd then and today it would be wrong to suggest south-west Sweden is in any real crisis. Even Malmo – for all its problems - has none of the urban blight that scars so many Ruropean cities. But there is a strong feeling on both sides of the Oresund that the area

operation. The current pricing policy proposed for the bridge, for example, suggests the toll charged for motorists will disneeds to be more dynamic. Mr Ake Andersson, head of courage high traffic volume. It may be used at only around 20 per cent capacity. But now most Danish and the Institute for Future Studies in Stockholm and author of a recent study of south-west Sweden's potential, believes Skane's link with Zeeland will create a region similar to the links between both London-Ox-ford-Cambridge in Britain and



the Amsterdam-Rotterdam-Hague triangle in Holland, based on research and educa-tion, culture and communica-tions. Already there exists what Mr Ulf Andersoon, head of the Malmo science park, calls a "bridge of knowledge" between the universities in Lund and Copenhagen. But it looks like being a long

Skane into anything remotely coherent as a region even when the bridge is finished. "We need to pull down the psychological wall that runs down the middle of the Orssund straits," says Mr Ulf Andersson, who calls the waters separating Zealand from Skane "the buy of Hamlet" The Orseand has tanded let". The Oresund has tended to pull the people living on either side apart rather than bring them together, at least since the mid-19th century.

struggle to mould Zealand and

The joint agreement signed this spring on the bridge proj-ect by the Denish and Swedish ect by the Denish and Swedish governments talks shout it providing the "conditions for strengthening and building up economic and cultural co-operation as well as a common labour and property market in the region to the advantage of both countries."

tage of both countries." But at present what is so surprising is just how little human contact there is across the Oresund in either direction. No more than 800 to 1,200 workers are estimated to make workers are estimated to make the daily 45-minute journey by hydrofoll that links Copenhagen and Malmo.

There is little inter-marriage

or social contact across the divide. Sweden and Denmark have dissimilar rules and regu-lations covering social security, tax and insurance. The obstacles to movement caused by the legal and administrative differences between the two countries remain formidable. Not many private compan

exist with business activities on both sides of the Oresund and there have been few company mergers and acquisitions in either direction, though this trend may be changing. It is only within the last six months that the chambers of com-merce of Copenhagen and sonth-west Sweden have

engaged in joint activities. Mr Hans Cavalii-Bjorkman, the chairman of south Sweden's chamber of commerce, says: "We are talking about two separate economies which are not interdependent."

There is a real clash of cultures between what one observer calls "the easy-going, happy, beer-drinking Dane and the boring, strict Swede". But Mr Ake Andersson argues: Prospects for Malmo

City may reap the benefits

days. It was once a thriving industrial city with its prosper-ity based on shipbuilding, textiles and food processing but most of its staple industries have gone – the victims of structural change. Today the main employer by far is City Hall with a payroll of 33,400 workers and over half the labour force good in the public labour force work in the public

Sweden's third largest city has been suffering from a loss of jobs and negative economic growth since the middle of the 1980s. Over recent months they have been admired by there has been a depressing lit-any of redundancies in many

of Malmo's remaining large private sector employers. It would be wrong to suggest the city is in crisis although it has more serious social problems caused by urban depriva-tion than other areas of Sweden. But Malmo lacks a clear identity and suffers from an

inferiority complex. Not surprisingly, it hopes to

the crossing of the Oresund. "The bridge will provide us with opportunities," says Mr Joakim Ollen, the young leader of the city's main opposition of the city's main opposition Moderate party who hopes to take power after this September's elections.

To Mr Hans Cavalli-Bjork-

man, chairman of the local chamber of commerce, the bridge promises an end to current stagnation and a revival of the city's lost creative energies. "Malmo's future is going to be positive," he declares.

Certainly the construction

companies, notably Skanska which is about to return its corporate beadquarters to the city and NCC, hope to play a major part in building the bridge and there is likely to be extensive infrastructure work for them in the part for record. for them in the next few years. But it may be some time

before Malmo recovers any real dynamism in its business life. What troubles many observers Continued on Page 2

"You cannot build a future on national stereotypes. There is no good reason why the Ore-sund should not work as well as a region as greater Stock-holm does."

Yet the two sides of the Oreyet the two sides of the Ore-sund do not look like a balance of equals. The arrival of the bridge may well ensure an eventual Danish takeover as Copenhagen exercises its undoubted charms. Danes are still seen as rivals or competi-

tors, not partners.

People in south-west Sweden tend to look northwards to Stockholm for support and inspiration rather than west to Copenhagen. Most employers from Skane, for instance, spend much more of their busi-ness time 600 miles away in the Swedish capital than they do across the Oresund. The communications network also

underlines the strength of Swe-

den's south-north connections.
Malmo's airport has no direct
air connection to Copenhagen
and its inter-European traffic
remains pathetically small.

But the crossing of the Ore-sund is seen by many as only the start of a much wider development. With other influ-ential figures Mr Cavalli-Bjorkman dreams of the emergence of a new Hanseatic League stretching to Schleswig-Holstein and along Germany's Bal-tic coast. He believes Poland and the Baltic states of the Soviet Union will eventually be drawn into the peaceful inte-

gration of northern Europe.

It is a vague but heady concept and even the first step has not yet been taken. But this summer the Oresund challenge can be seen as an important part of a higger, more ambi-tious design in the future

Malmö-Lund-Copenhagen

The coming region.

Consumers

Companies



We'll show you how to reach them.



THE INDUSTRIAL DEVELOPMENT BOARD OF GREATER COPENHAGEN

Toldbogade 39, DK-1253 København K, Denmark Tel. Int. +45-33-32 49 00, Fax Int. +45-33-93 49 10 Member of the BC-net.

CHAMBER OF COMMERCE OF SOUTHERN SWEDEN Skeppsbron 2, S-211 20 Malmo, Sweden Tel. Int. +46-40-735 50, Fax Int. +46-40-11.86 09 Member of World Trade Centers Association and of the BC-net. Associated with Chambers of Commerce in Brussels, Budapest,

Paris, Copenhagen, Kiel, Flensburg and Lübeck

AFTER MORE than 300 years. the Danes see a chance to exact sweet revenge for the injustice done to them in 1660, when Sweden's soldier-king. Charles X, forced them to cede the provinces of Scania, Blekinge and Halland to the Swedish crown after a campaign across the ice and a siege of Copenhagen had forced the Danes to sue for

peace.
The lost wealth of those provinces will be regained, the Danes hope, when the pro-posed bridge across the Ore-sund is hullt and about 3m Swedes are added to Copenhagen's natural hinterland and all of them rush to spend their money in the commercial, cultural and recreational cen-

tre of the region.

Or, put more officially in a parliamentary bill for the development of Copenhagen: "With the decision to establish a permanent link across the Oresund, the basis has been laid for Copenhagen to develop into a metropolis on an inter-national scale ... the Oresund link will change Copenhagen's place on the map of Europe (and) provide the capital with a unique opportunity for a new period of prosperity."

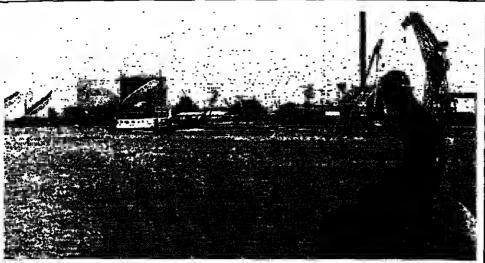
None too soon, some might say. The city's population has fallen by a third in the past 40 years. The hetter-off have moved out to the suburbs. leaving the city with too many students and pensioners, weakening its revenue base.

There has been little new hullding for years. Though Copenhagen International Airport was refurbished recently and is now among the smartest in Europe, it is almost 20 years since a new hotel went up in the area. New offices and commercial building have been restricted to sub-

urban towns. Now, however, the Danish capital is abuzz with projects of all kinds to make it more attractive, from hotels and conference centres to an intracity metro system and a business city, already named Orestad, to be huilt on a site between Copenhagen and the international airport.

Copenhagen has great opportunities," says Mr Jens Kramer Mikkelsen, the city's Social Democratic lord mayor. "It is at the entrance to the Baltic, serving Poland, the Soviet Union and the former east Germany on the one hand, and on the other it is a bridge between northern Scandinavia

"We have suffered from 50 years of neglect," says Mr



Copenhagen Harbour

DENMARK

Business city planned near Copenhagen

Hans Thustrup Hansen, a Conservative and one of six assistant mayors. "The post-war belief was that development should take place in Jutland, but then it was realised that the capital was being impover-

That helps to explain why the Folketing, initially reinc-tant, has at last agreed to the construction of the Oresund

bridge. Some of the Oresund city area's attractions have been spelt out by Professor Christian Wichmann Mathlessen of Copenhagen University. Within 50km of Copenhagen's international airport, he says, there is a population of 2.3m people, making the Oresund city into the 20th largest in Europe. Measured by gross product, it ranks eighth and by creativity (ie, the scale of scientific and industrial research) it becomes Europe's fifth most important conglomeration. Copenhagen airport is also important, ranking sixth in Europe by passen-gers handled - over 9m a year and 12th by freight tonnage

The airport is now linked to the city centre only by road, a 15-minute trip. When the hridge is huilt, e rail link from Malmo to Copenhagen via the

BASED AT THE BRIDGE TO EUROPE

THE HEADQUARTERS OF THE EUROC GROUP is situated where Sweden's bridge to Europe will begin,

a most appropriate location for the start of this major

say we're well-positioned to focus on Europe, our

foundation for Sweden's cement industry.

and industry as when it functioned as the base for Sweden's cement

priority market.

to the Continent.

and lime production.

construction project, since Euroc began its operations here as

a cement manufacturer more than a century ago, building the

With a base at the foot of the bridge, you could also

The large land area by the new bridge will also become an excellent meeting place for companies that want to be closer

So the old limestone quarry area by our head office will once agaain have the same importance for regional business

airport will be constructed as well. From Malmo to Copen-hagen Central will be a 30-minute trip, according to the Danish state railways.

A new light railway system

from the airport and adjacent areas into the city will be huilt as well, but the most ambitious project now being planned is the Orestad business city. "Orestad givee us a

development potential which beats anything that other cities in Europe have," says Mr Mikkelsen. "We have a 250-hectare area, which is between the city and the airport and only a few minutes from each, where we can place 50,000 new jobs over a 20 to 30 year period. jobs over a 20 to 30 year period without spoiling the old city

Another large area of almost 200 hectares, owned hy the Copenhagen Port Authority, is scheduled for development, as well as eeveral other substantial sites. On some of these development is already going ahead, with several large hotels with conference facilities due for completion in the next few years. Altogether, says Mr Jan Laybourn, bead of the Copenhagen Tourist Office, there are plans to build 2,000 hotel rooms in the city, edding

to a stock of about 12,500. The ambitions plans for

Copenhagen's development have sprung mainly from the country's and the city's politicians. The population at large is more eceptical. The Oresund bridge is widely regarded as a threat to tha environment, because it will mean more cars and their emissions, rather than a boon for the city. Orestad is opposed hy many as it is on a site now reserved for recre-

ational purposes.
Business sceptics, meanwhile, point ont that Copen-hagen has some of the lowest property prices in Europe average price for office space is DKr450 a sq metre and even on prime sites space is evallable for DKr1,000 a sq metre. There are ehout im sq metres of vacant office space. Can all the new development really be jus-

tified, they wonder. However, Mr Mikkelsen dis-misses the Cassandras, pointing out that the projects already under way (as opposed to those still in the pre-epproval stage) have been initi-ated hy companies and inves-tors, not by the public authorities, and that the more long-term projects will he developed over a period of up to 30 years.

Hilary Barnes

IDEON SCIENCE PARK

A bridge of knowledge

THE ORESUND region has enormous potential for the growth of science-based industry. On both sides of the straits during the 1930s the worlds of research and industry were linked together through the development of the science

park concept. It began in 1983 when Malmo county council, south Sweden's chamber of commerce and Lund University came together and agreed on the creation of Ideon, a private venture designed to encourage entrepreneurial connections between research at the Lund Institute of Technology and the market place outside. Today Ideon in Lund claims

Today Ideon in Lund claims to be the higgest research park of its kind in Scandinavia and the third largest in Europe, after those in Cambridge and Grenoble. At the heginning three large Swedish companies — Ericsson, Asea and Perstorp

agreed to establish units in the so-called park, a collection of huildings situated across the road from the institute.

Over the past eight years ideen has grown at an impressive rate. There is now a second park in Lund (using the buildings of a former mental bospital). Another is based in Malmo's suburbs close to the county hospital and dental care centre while a fourth con-

More than 220 separate com-panies have premises in the parks, employing around 1,500 highly skilled workers in a wide variety of jobs in environ-mental as well as hiotechnology, computer or information technology, medicine and elec-tronics. The investments in the parks total around \$250m.

Across the cound on Zealand, the University of Copenhagen has also developed the science park concept. These are all commercial parks. There is no public funding involved," says Mr Ulf Andersson who heads the Ideon in Malmo. However,

Skanska, the Swedish con-struction company, has played an important role in their

development.

Mr Andersson spends much of his time spreading the virtues of the science park concept overseas. "We are building hridges of knowledge," he asserts. In recent years he has advised on similar ventures in Kiel, Berlin and Sydney in

He believes that there has to be a large university for the park concept to work. "It pro-vides the critical mass as the mother that gives life to its bables," he says, likening the

centrates on co-operation between science and the local agro-food industry.

Science park to an incubator.

Lund University, one of the oldest in Sweden, is ideally Lund University, one of the oldest in Sweden, is ideally positioned to play that role with over 2,800 research stu-dents and 6,100 full-time or part-time employees as researchers, lecturers, technical and administrative staff. Its Institute of Technology has earned a reputation as an impressive breeding ground for the country's technological

Mr Andersson worked for many years as a development consultant with the university before moving on to head Ideon. He is well aware that scientists and innovators hy themselves often lack the business acomen to turn their ideas into commercial suc-cesses. What Ideon can provide is access to managerial resources, financial backers and international contacts.

"You get more than just a work srea," he explains. The record has been impressive. Only 10 of the companies started up by Ideon have gone bankrupt. Mr Andersson is adament that the science parks are free from public control. "I don't want any political influ-ences at work in them," he says. "This is a commercial activity. It has to have the confidence of the business commuMr Bo wickstrom is a good example of the kind of innovator now working in idean. A former manager with Electrolux and then Cardo companies, he decided to break out on his own in developing small-scale power electronics, such as baltories for the wheelchairs of teries for the wheelchairs of handicapped people and in sail-

ing boats. Most small companies are afraid of losing their ideas to competitors," he explains. "But here you are part of a schentific village and there is a more open exchange of ideas. The infrastructure we have is useful hut the important element is the network. It is easier to find partners and customers here, not connectiors."

competitors."
Once the bridge is huilt across the Oresund, moreover, the interchanges will grow wider and more intense as the science parks on both sides of the water establish stronger links with each other. Here at least is one kind of activity where the concept of the Ore-sund as a distinctive region will make obvious and immediate sense. This bodes well for its industrial future after the turn of the century - thanks to Ideon's original foresight nearly 10 years ago.

Robert Taylor

Malmo may reap the benefits

Continued from Page 1

is that so many local-hased companies were acquired by outside conglomerates during the 1980s, such as Cardo bought by Volvo in 1986 and PLM, the packaging company bought by the holding company industrivarden two years later.

Perhaps most symbolically of all, the Kockums shipyard -once the pride of Malmo closed in 1986 and Saab-Scania, the auto and aerospace group, arrived with a new car plant to fill the vacuum. Earlier this year under inevitable pressure from mounting losses, Saah Automobile, the joint venture owned by General Motors of America and Saab-Scania, decided to close the plant

Increasingly, the well-heing of Malmo is dependent on com-panies whose decision-makers work elsewhere. The old fami-lies have gone and corporate power lies in boardrooms in Stockholm and Gothenburg. Although the commercial banks enjoy substantial enton-ony in the Malmo area, they

The obvious contrast with fun-loving Copenhagen

are also in the last resort responsible to their head offices in Stockholm. The acquisition of Skanska bank in acquisition of Skanska bank in 1989 by Handelshanken was indicative of the decline in the strength of regional banking in Malmo. On the other hand, the banks are in a better position

banks are in a better position to develop closer links with their counterparts across the Oresund. Skandinaviske Enskilda Banken, for example, enjoys a strategic alliance with Unibank of Denmark.

The city's mood has ebbed and flowed in the past. Back in June 1914 Malmo was host city for an ambitious exhibition which brought all the countries together from around the which brought all the countries together from around the Baltic Sea including Germany and Russia to parade their industrial achievements. The city appeared to have achieved a new position at that time, to have taken command', says Mr Cavalli-Bjorkman. Three months later with the outbreek months later with the outbreak of the Great War the exhibition was shut down. "It became a very pale city after that," he adds but the arrival of the Ore-

acts but the arrival of the Oresund hridge suggests Malmo
may have the chance to
recover its former ambilions.
The city has been a Social
Democratic stronghold for
most of this century. It is
where the party was born. The
Social Democrats ran the city
council without interruption
from 1919 until the autumn of from 1919 until the autumn of 1985 and under the leadership of Lars Endqvist it holds power at the moment. Never as radi-cal as red Bologna, Malmo became a model for middle-of-

the road social democracy. "There is a much greater degree of social division in this city than elsewhere in Sweden," admits Mr Anders Ferm, once a close adviser of the for-mer prime minister Olof Palme and now editor of Arbetet, the Malmo-based party newspaper. As a result, there used to be less cross-party co-operation in politics. The party has always been much stronger than the trade unions in the running of the city and it made Malmo a

the city and it made Malmo a laboratory for its welfare ideas. Now the old loyalites are crumbling. Many young working class families are looking elsewhere for political salvation. Mr Endqvist - once seen as future Social Democrat prime minister - has run the city for three years in a pragmatic manner but it seems to have made little difference to the party's decline in the opinion polls.

ion polls. His vision of Malmo as the "good city" contrasts with the Moderate party's picture of a town of opportunities. "In 1985 when we came to power we were keebreakers and we were admits Mr Ullen. "Next time it will be very different. Now it is much easier to make the case for a shake-up of the welfare

He wants to make Malmo a "vital, exciting, ettractive city". But he may find it hard going. The contrast with funloving Copenhagen across the Oresund is obvious, for Malmo programs to interpretable place. remains an introverted place whose streets seem to be under curfew after six o'clock in the

It is true that the arts thrive in the city, which has a well-patronised orchestra. But in search of e good night out, Malmo citizens usually take the hydro-foil to Copenhagen. The bridge over the Oresund could well accelerate the exo-dus. Even that Malmo enthu-stast Mr Cavalli-Bjorkman says services. It has to escape from he would be happy enough if his city became the dormitory area for the Danish capital

even though it is bound to suf-fer in the shadows of Copen-hagen's greater potential for revival. "People are optimistic that times will get better," says Mr Sten Bengisson at the south Sweden chamber of commerce. "Malmo is going to change." But what the city needs badly is a strong infusion of new entrepreneurial blood particularly with small-

scale private industries and

It may well do better than that when the bridge is built

its past and not rely for success on its overwhelming pub-lic sector. In many respects, Malmo is a microcosm writ large of Swe-

den's current economic troubles. But there seems no good reason why it should not suc-ceed. Perhaps nearby Lund-with its food processing and pharmaceutical industrial base should drop its traditional en haut attitude to its industrial neighbour. As the Oresund region begins to emerge over the next 10 years, both will need each other as they try to counterbalance the influence of Copenhagen.

Robert Taylor

A World of **Experience**

The Gambro Group

Medical Technology in 103 countries



The Global European Management Consultancy in the Region



SIAR-Bossard

The first Management Consultancy in the Hansa Region

25 years experience of Strategy-, Organisation- & Business Development More than 700 consultants in Europe able to create your future

our Managing Director in Lund, Dr Carsten Dahlman. SIAR-Bossard, Stora Södergaran 4, S-222 23 LUND, SWEDEN, Telephone +46-12 48 50, Telefax +46-12 80 10

BOSSARD

Euroc is an international building materials group with sales in the range of £125 million and 9,400 employees. Operations are conducted in approximately 25 countries with Europe as the priority marketplace

nvestment AB Carda is an industrial holding company with a internationally-

oriented industrial operations. In its five years of operation, Cardo has been characterized by strong growth. Turnover has increased fast - from SEK 1,500 million in 1986 to more than SEK 10,000 million in 1990.

Today, Cardo holds a leading position in the international market, within most of the Group's Business Areas. Cardo is continuing its international expansion.

Phone +46 40 35 04 00. Fox +46 40 97 64 40.

ABS-SCANPUMP CRAWFORD GAMBRO SAB WABCO ATHENA

Based in Lund, Gambro specialises in kidney treatment. It aims to strengthen its US position and exploit opportunities in Japan

The Swedish company that makes 99% of sales abroad

of being Sweden's most inter-national company with 99 per cent of its sales abroad.

- It is also one of the few corporate success stories, along with the liquid packaging con-cern Tetra Pak and the furni-ture retailer Ikea, that the country has produced since the Second World War. The entrepreneur Holger

Crafoord founded Gambro in 1964 in the university town of Lund, to exploit commercially the artificial kidney technology that had been developed by Professor Nils Alwall at Lund Hospital

The company grew rapidly over the next 20 years, but hit a period of turmoil in 1984 when reimbursement cuts in the US for kidney treatment caused profits to plunge to near zero as Gambro was car-rying out a costly diversifica-

rying out a costly diversifica-tion programme.

The engineering group
Sonesson, then the biggest
shareholder appointed Mr Berthold Lindquist one of its executives, as Gambro president to
sort out the problems.

The workforce, while ectivity
was concentrated on the core
business of kidney dialysis.

business of kidney dialysis. Gambro specialises in haemo-dialysis, in which blood is purified through-filters in a

Robert in

9 -5-

)r0

S

After earnings recovered, Gambro bought its biggest European competitor, Hospal of Switzerland, in 1987 for SKr1.25bn.

The acquisition gave Gambro 40 per cent of the European market for kidney treatment equipment. Hospal also pro-vided Gambro with a new synthetic membrane product, AN69, with higher profit mar-gins than conventional mem-

branes.
Gambro then took over Cobe
Laboratories in the US last
year in a \$253m deal that was financed by a new stock issue and \$150m in loans. Although the investment company Cardo took control of Gambro in 1988, acquisitions.

If you are concentrated in

achieved economies of scale in clinic chain REN for \$12m. The the areas of purchasing, move mirrors Baxter's strat-research and production from egy. "We are stronger in R&D. its merger with Hospal, although marketing operations have remained separate to preserve brand names. Gambro is now seeking similar integration with Cobe.

One benefit from the Cobe

leal is that Gambr complementary			rest to di kars, for		
Article State of	GAMB	RO 198	5-1990 ·		
The state of the state of the state of	1986	1987	1988	1989	1990 ·
Sales (SKr m)	1,600	2,640	2,850	3,100	4,300

in the US. Gambro now supplies the disposable filters and blood tubes for the dialysis machines that are Cobe's main

product.
The co-ordination bas produced an unexpectedly fast recovery for Gambro's US operations, which were losing money in the late 1980s as budget restrictions forced hospitals and clinics to re-use nominally disposable dialysis filters

for the majority of kidnay patients.

Gambro reported a \$10m profit in the US for 1990. This helped boost corporate pre-tax earnings last year by 24 per cent to \$Kr406m on sales of \$10m per tax and \$10m per tax earnings last year by \$20 per tax and \$10m per tax earnings last year by \$20 per tax earnings last year by \$20 per tax earnings last year by \$20 per tax earnings last year tax earnings last year by \$20 per tax earnings last year by \$20 per tax earnings last year earnings last year tax earnings last year SKr4.3bn; a 38 per cent increase. Operating profits were even higher at SKr556m.

a 35 per cent rise. But acquisition costs have dampened earnings perfor-mance. Its Cardo parent would like to see Gambro increase its return on working capital from the present 18.8 per cent to 25 per cent, the level it has achieved in Europe, in the next

few years.
Much of the financial progit decided to let Gambro ress will depend on develop-remain a listed company to ments in the US. Gambro has a

half the share claimed by its biggest competitor, Bexter, with 40 per cent.

one sector, you have to be big, with 40 per cent.
says Mr Lindquist. "You can't achieve critical mass if you its marketing position, Gambro last month acquired 23 per Gambro has already cent of the US kidney dialysis egy. "We are stronger in R&D, but Baxter's strength is in distribution," Mr Lindquist

> Japan is potentially the most lucrative of Gambro's markets. The Japanese avold kidney transplants, a competitive

The result is that 750 out of every million Japanese need

dialysis treatment compared to
450 per million in the US and
Europe.
Gambro has only 6 per cent
of the Japanese market and
profitability is low, with a
return on capital of between 5 and 10 per cent. "Breaking the market domination held by the Japanese companies is tough and getting an increased market share is difficult," says Mr Lindquist, "But it is important for us to be in

Japan."
Eventually, Gambro may be forced to seek an alliance with a Japanese partner to gain a bigger football, according to Mr Lennart Nilsson, its chair

Eastern Europe is also receiving high priority in marketing plans. Only 150 persons per million receive dialysis treatment, but the Gambro, which has operated in the region for a decade, last month signed a licensing agreement with a Soviet company for the production of dialysis equipment. Gambro will supply the components.

cessful attempt at diversification. Gambro bas decided to expanded into other product areas where markets are growing at a faster pace than for dialysis equipment and where there is less

competition. The market for dialysis equipment is stable and not vulnerable to economic cycles. with a respectable 8 per cent annual growth rate. But Gambro is seeking to spread its risks since the kidney dialysis industry could be threatened by the development of an the growing use of transplants once better drugs to prevent

rejections appear.

Health budget cuts in Europe could also force the reuse of disposable filters, as happened in the US, though Mr Lindquiat believes this is unlikely. "There is a patient backlasb against practice in the US. It was also tried in the UK and failed."

The Cobe acquisition added two new business sectors to Gambro, reducing its dependence on dialysis equipment from 90 to 74 per cent.

One is equipment for open heart surgery, in which Cobe is the global market leader with a 25 per cent share and sales of \$115m. It accounts for 14 per The other is blood component technology, where sales ara growing by 20 per cent annually. It is responsible for 5 per cent of Gambro's turnover. Gambro also has an anaes-thetic and intensive care prod-

ucts area, which provides 7 per cent of sales. Though Mr Lindquist says Gambro will refrain from mak-ing acquisitions over the next few years to improve its capital base, he plans to expand there-after in all three sectors, with the highest priority being given to blood component tech-nology. The target is to reduce the dialysis business to around 60 per cent of total corporate sales.

John Burton

John Burton on Cardo's shift from agribusiness to industry

A change of identity

MALMO-BASED Cardo has option to buy the remainder undergone an extensive change of identity during the past five years. Until 1986, it was one of the country's leading agribusi-nesses, with interests spanning from Sweden's sugar monopole from Sweden's sugar monopoly

to plant breeding. When the car maker Volvo gained control of Cardo after a takeover battle against local interests, the Cardo operations were transferred to Volvo's food division Provendor, which later became part of the food and drug group Procordia.

Cardo was re-established as an Investment company by Volvo, which remains its big-gest shareholder with a 47 per cent atake, as part of a promise that Cardo would retain a pres-

ence in the Skane region.

The "new" Cardo inherited from its predecessor shareboldings in aeveral southern Swedlsb companies, including the construction concern Skanska and the mining and industrial group Trelleborg, as well as Asea and Volvo among others. It also acquired ownership of the engineering units of Sooesson, a Voivo aubsidiary.

Although investment man-agement was originally meant to dominste Cardo's activity, the industrial operations inherlited from Sonesson have gradually come to the fore. The development is not aurprising since Mr Lennsrt Nilsson, Sonesson'a former president, bas led Cardo since 1986.

Through acquisitions, Cardo has rapidly expanded its industrial sector, with a six-fold increase in sales in four years to SKr10.25bn in 1990. The dialysis equipment maker Gambro, which became a Cardo subsidiary in 1988, provides almost hslf of the turnover at SKr4.3bn. Gambro, in which Cardo bas a 58 per cent stake, is listed separately on the

Stockholm bourse.
Crawford, which manufac-tures large doors for industrial facilities, is Cardo's second hig-gest division with SKr2.13bn in sales. Scanpump, which makes industrial pumps, doubled in size to SKr1.55bn after the acquisition of the German company ABS Pumpen. Cardo's railway brake business, with sales of SKr940m, is emerging as a new growth area after its purchase of half of Westinghouse Air Brake Company (Wabco) in the US and an

after 1995.

The purchase of Cobe, Wabco and ABS in 1990 has put some pressure on Cardo's balance sheet, reducing its debtto-capital ratio from 46 to 32 per cent as the debt burden grew to SKr10.9bn, but analysts describe its leverage as

satisfactory.

Profits increased by only 2 per cent to SKr371m last year as interest costs doubled to SKr573m. It sold its troubled

decided last year to become the main shareholder in Wabco, the world's biggest rail brake group, for SKrlbn. It also bought out Lucas from EFE.

SAB Wabco now controls 40 per cent of the rail brake mar-ket in western Europe and half itability remained sluggish last year at SKr35m due to delayed orders from Italian state railways. The return on capital fell

from 20.6 to 12.1 per cent. ABS-Scanpump's return on

CARDO 1986-1990									
	1986	1987	1988	1989	1990				
Salee (SKr m) Profits* (SKr m)	1,478 150.7	3,073 188.9	6,358 313.2	7,311 363.3	10.255 371,4				

Nife battery division to the French concero Saft at a book loss of SKr50m to improve its debt-equity ratio. It also disposed of some sbareboldings for a net profit of SKr132m.

Some analysts criticise Cardo for engaging in unre-lated industrial sectors and describe it as a "conglomer-ate". Mr Nilsson dislikes the label. "I define a conglomerate as a company that enters into any business area where it believes it can make a sbort-term profit. I regard Cardo as an industrial holding company where we make long-term investment in four by a share portfolio that allows

us to spread our risks while giving us financial muscle."

Over the past three years, with a 27 per cent rise in its share price. Cardo has slightly outperformed the index.

Its strategy is to concentrate on expanding abroad. Exports already account for 90 per cent of sales, while almost 80 cent of production is located outside Sweden. "If the Oresund bridge was not being built, we would probably have thought about

moving out of Sweden eventu-ally," Mr Nilsson says. The growth of the railway brake sector provides one example of the international SAB brake unit from Sonesson in 1986 and then formed a Brussels-based joint venture EFE with Lucas Industries of the UK in 1989. in response to increased investment in rail systems worldwide, Cardo

capital also fell last year from over 30 to 18.3 per cent, although its profits almost dou-bled after it acquired ABS, a leading producer of drainage

Cardo's best-performing unit with a return on capital of more than 30 per cent. Profits, however, dropped by 11 per cent last year to SKrl54m due to falling construction demand, mainly in the UK.

A recent market downturn for ABS-Scanpump and Craw-ford will cause Cardo profits to fall by 25 per cent this year, It forecasts. It is cutting its workforce by 450 people in these two divisions and consolidating some production facilities. But SAB Wabco continues to

Cardo's share portfolio suffered from the sharp fall in prices oo the Stockholm bourse last year. The value of its sbareboldings tumbled from SKr4bn in 1989 to SKr2.6bn at the end of 1990 as some of its big investments, notably Volvo and Skanska, underperformed

the general index.
In addition, Cardo was caught short after making an unsuccessful takeover bid for Skane-Gripen, a Malmo-based industrial conglomerate, in 1989. The share price for Skane-Gripen fell after Cardo acquired a 25 per ceot stake in the company, leaving it with an unrealised loss of SKr160m. "We are evaluating our share portfolio for the future and are investments on an European basis rather than concentrating on Swedish sbares as in the past," Mr Nilsson explains.

European shares account for only 4 per cent of Cardo's share portfolio. The target is to raise this ratio to 20 per cent Shareboldings that will not sold, however, include Volvo and Skanska since the cross-ownership arrangement that protects these companies from bostile takeovers. These strategic boldings Cardo's two biggest invest-ments - "present oo problems from our point of view in terms of locking up capital since they each represent only about 15 per cent of our share portfo-lio," Mr Nilsson adds.

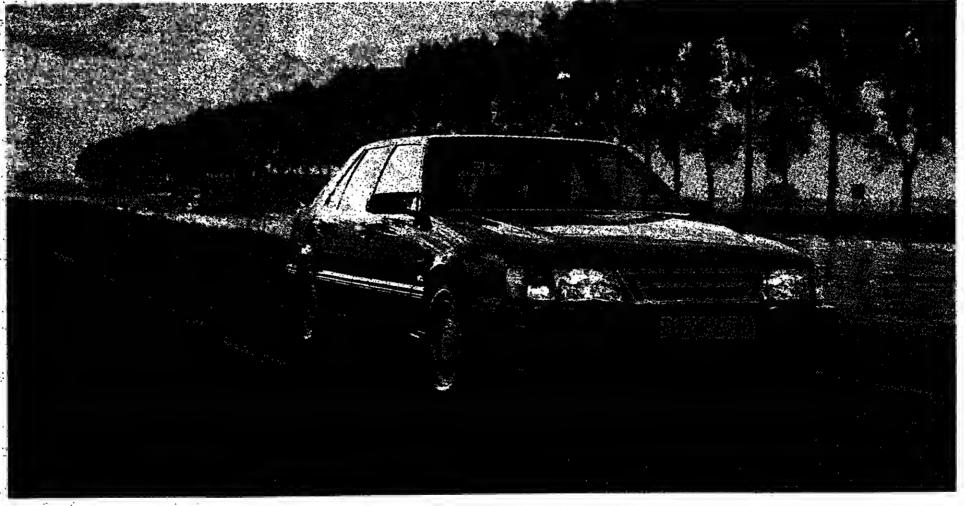
FINANCIAL TIMES SCANDINAVIAN SURVEYS

Norway	May 21 1990
Sweden	July 3
Denmark	September 21
Finland	November 15
Iceland	March 6 1991
Nordic Finance & Industry	March 25
Norway	May 15
Finland	July
Sweden	September
Copenhagen	November

FOR ADVERTISING INFORMATION: contact KIRSTIE SAUNDERS

071-873-3239 FOR EDITORIAL INFORMATION: contact DAVID DODWELL 071-873-4090

"See what aviation philosophy has done for car driving."



The Saab family started at aircraft builders. Saab jets grabbed world speed records. The first Saab cars were designed by aviation engineers with a total disregard for conventional car building. Their new thinking started the Saab tradition of free thought. It's still very much alive.

Saab cars are related to Saab aircraft by philosophy, as much as by technology.

Unlike most carmakers, who begin studies of a new car from technical starting points, Saab returns to the human organism.

The overall design, as well as every detail, is developed towards one end: to give the driver correct information and quick, precise response.

But other things learned in the air, are also put to use in Saab cars. The rigorous safety-standards consistently put

Saabs at the top of the safety ratings. The efficient use of space, makes the Saab 9000

one of the roomiest European cars you can find. So why don't you make room for a test drive. Call a Saab dealer today.



PLM is one of several companies, together with Tetra Pak and Akerlund & Rausing, that were created to package the agricultural produce of southern Sweden. Founded in 1919 by the Laurin family, it became a fully-owned oubsidiary of Industrivarden, the investment company affiliated with Svenska Handelsbanken,

in 1987. Its recent strategy of concentrating on the production of glass containers and cans for beverages has boosted profits. Earnings in 1990 climbed by 23 per cent to SKr384m despite a 5 per cent

Can consumption is growing at a faster pace in Europe than in the US

drop in sales to SKr5.8bn following the divestment of some units. Its return on working capital reached 18 per cent, an impressive performance by industry

The restructuring of the company began in the mid-1980s, when its profits amounted to SKr150m, by its

tben president and current chairman, Mr Ulf Laurin. When Mr Laurin decided last year to devote most of his energies to his new role as chairman of the Swedish Employers' Federation, he was succeeded as president by Mr Rolf Borjesson, who joined the

company in 1987.

"Our goal is to become one of Europe's four biggest packaging companies," declares Mr Borlesson. At present, PLM ranks seventh in erms of turnover.

He predicts that profit growth will remain healthy, possibly doubling by 1993. One beverage can production, the fourth largest in Europe. Entry levels are high due to the cost of equipment, while the market is growing by 7 per cent annually. Another benefit is that many contracts are long-term, guaranteeing stable

Beverage can production accounted for 38 per cent of the company's turnover in 1990 with sales of SKr2.2bn, a rise of 16 per cent, and 35 per cent of lts prolits at SKr134m, an Total can production in Europe is expected to more

Can the company reach the top? John Burton investigates

PLM packs its punches

than double during the 1990s from 21bn to 45bn cans as eastern and southern Europe.

"Can consumption is rowing at a faster pace in Europe than in the US. although consumption levals in Europe will never reach those in the US due to climatic differences, with European summers being shorter," says Mr Borjesson.
PLM has rapidly expanded

can production facilities in the 1980s, with annual production now running at 3.3bn cans. Its can factory in Malmo, which supplies the Nordic market, is now the city's biggest industrial facility following the recent closure of the Saab automobile plant.

PLM has another plant in the Ruhr region of Germany and is adding a third assembly line to its Berlin facility to supply eastern Europe. It will

open its fourth can plant next year near Marseilles, hoosting its total can production to 5bn.
The geographical spread of these facilities is important since they must be within 150

kilometres of breweries and

other corporate consumers.

likely to build our next factories, although we will not take a decision on this until 1993," the PLM president explains.

PLM's glass bottle factories remain more concentrated in northern Europe, with plants

PLM 1986-1990							
	1986	1987	1988	1989	1990		
Sales (SKr m) Profits* (SKr m)	4,004 165.8	4,218 252.8	5,001 296.8	8,151 310.9	5,866 363.7		

which include Coca-Coia and Heineken, in order to stay profitable.

"We cover Europe pretty well in terms of can production, but we have to build more production capacity to defend our position. We still have blank spots on the man including the UK. Spein and Italy, and that is where we are

in Sweden, Norway, Germany, the UK and the Netherlands. While the Enropean can market is dominated by the four leading producers, the glass bottle industry is highly fragmented with a number of small famlly-controlled companies. PLM has only 3.5 per cent of the glass market in contrast to a 16 per cent

still the fourth largest glass producer in Europe.
The glass division accounted

for 39 per cent of PLM's sales last year at SKr2.3hn, an increase of 14 per cent, while it provided 51 per cent of corporate earnings at SKr196m,

a rise of 24 per cent.

"Glass is going through a renaissance. Although it is regarded as being breakable and heavy, it is an excellent packaging material and has an image of quality. It is also easily recyclable, says Mr

The European glass market is growing by 4 per cent annually, with the glass industry confronting a period of restructuring. "We want to build up capacity, particularly in Germany, where demand for in Germany, where demand for giass is growing by at least 10 per cent," Mr Borjesson adds. This will be done through

other can producers would be

The production expansion abroad will further reduce PLM's dependence on the Swedish market, which accounts for 24 per cent of total

Although PLM's current investment programme amounts to SKr1.5bn during the early 1990s, there are no plans for a bourse introduction to raise capital. "The expansion we are planning we can handle ourselves or get from our mother company industrivarden, says Mr

Of more immediate concern to PLM is the future of its two other divisions. The food can division faces a stagnating market in Sweden and Denmark. Its sales increased by 7 per cent to SKr91im last year, while earnings rose by 47 per cent to SKr78m dne to rationalisation of production facilities. But earnings could fall since the Nordic market is expected to contract by 2 per cent annually.

Profits for the plastic

acquisitions, in contrast to division last year fell by % per PLM expanding its own cent to Skrim, although it has production capacity for cans, undergone two years of which it must do since buying restructuring with neveral undergone two years of restructuring with several plants sold and production concentrated at-one factory "We hope to keep the

each in Sweden and Denmark "We hope to keep the plastics business. Most new developments in packaging are related to plastics, so it is strategically important to be in it," says Mr Borjesam. Yet he adds: "But we will not continue in it at any price."

He also discounts apeculation that Industrivinden will seel! PLM. Some industries.

sell PLM. Some industry observers have described PLM Expansion abroad will further reduce

dependence on the

Swedish market

ae an ettractive merger candidate. The Enropean parkaging industry has gone through an extensive restruc-turing in recent years, with the French glass group St Gobain bnying smaller competitors, while Metal Box in the UK and Carnaud of France merged their packaging interests to

Robert Taylor looks at one of the oldest private companies in the region

Euroc goes back to basics

EUROC, THE Swedish building materials group, has gone back to basics as one of the oldest private companies in the Ore-sund region founded in 1871 as Skanska Cement AB with its headquarters in Malmo. But it is also keen to develop a farsighted Enropean business

strategy. Recently the company under Mr Finn Johnsson, its new president and chief executive officer, formulated a five-year plan of expansion. Its main aim will be to focus on what Euroc does best - the production and distribution of mineral-based building materials inside the

Nordic region. But the company also wants to strengthen its position else-where in the Europe of 1992, particularly giving priority to Britain, the Benelux countries, Germany, Spain and Portugal. Today around 60 per cent of

tbe gronp's sales lie outside Sweden and Euroc's target for 1995 is to take that figure up to 80 per cent. But as the com-pany explains in its strategy

report: "Although internationalisation is important to us, we want to retain and wherever possible, strengthen our posi-tion in Sweden. By balancing a healthy trend of earnings in Sweden with international growth, we will create the conditions for long-term profitability, positive equity growth for our stockholders as well as greater joh security for our

Mr Johnsson takes a highly bullisb view of the longer-term picture for the company once the present recession is over, pointing to the heavy increase in infrastructure investments - in roads, bridges, railways and airports - that can be expected in northern and eastern Europe over the coming decades. The growth of competitive tendering in a deregulated EC as well as the standardisation of materials and construction codes will also belp Euroc's ambitions.

Euroc has certainly bene-fited from its decision taken in fited from its decision taken in the mid-1980s to concentrate on joint venture established in

its core business and abandon

diversification while at the same time expanding overseas through an aggressive international strategy of acquisitions. in 1985 only about half its sales were accounted for by building materials; now around

1986 between Euroc and the Norwegian Aker group that has become the fifth largest cement enterprise in the world handling around 20m tons of cement annually. This was helped by the SKr2.2bn acquisition of Castle Cement, Britain's

THE RISE OF EUROC SINCE 1986 1988 1987 1988 1989 1990

Profit after financial Items (SKr m) Seles (SKr m) 62 69 169 303 245 6,239 6,786 8,483 11,279 11,542

100 per cent derives from that sector - thanks to the selling off of its tronbled building equipment subsidiary Dynapac and its shares in the Opus investment company in 1988. Cement production remains

the most important of the company's business activities. Its annual ontput in Sweden under the company name Cementra is running at 2.5m tons and about 10 per cent of second largest cement pro-ducer in 1988 and two group boldings in Valencia de Cemantos Portland in Spain

last year. Euroc is also involved in concrete production, the manufacture of wall and roof products, plasterboard and aerated concrete products. It wants to ecquire companies in those husiness areas and establish control over raw materials such as lime, gypsum and clay through long-term rental con-tracts or exploitation permits.

The company intends to build np distribution networks across Europe in line with the planned expansion in raw and building materials. Mr Johnsson argues that

Euroc's future expansion will be guided by what the company calls its reproduction principle - the operation "in miniature" of highly integrated entire or select parts of Euroc. He has no time for a niche strategy but wants to focus on developing strong market posi-tions in several business areas.

Euroc has also set itself financial growth targets. It wants to achieve a 5 per cent annual growth in its sales vol-ume and a return of at least 20 per cent a year defined as the yield from capital employed in industrial operations. With e hoped-for equity ratio of at least 35 per cent and a real growth of more than 5 per cent in stockholders' equity, the company is taking a positive view of its financial potential in the reals to mid 1900s. in the early to mid 1990s. But the five-year plan will

not divert Euroc's attention away from its regional base in Malmo. The futuristic head office of the company lies in the Limhamn area of the city close to where the Oresund bridge will reach Sweden. It also borders an enormous lime-stone quarry — the largest open-pit mine in northern Europe — where the company began mining over 100 years ago and still does today though in a less intensive way than in the past. In fact, Euroc owns more than 3m square metres of land that runs to the edge of

the Oresund strait. Under the heading "project Euroc" the company intends to develop the quarry and the area round it. Offices will be constructed along the southern side of the quarry between the pit and the road and rail network that will connect with the bridge to Denmark. There are also plans for an interna-tional conference and conven-tion complex, as well as a civic centre, a residential area accommodating 5,000 to 15,000 people and a marina.

Mr Johnsson's enthusiasm is understandable enough, Euroc will play an influential part in the creation of the Oresund region. At least, there is one company in south-west Sweden which believes in an outwardlooking strategy for a EuroMalmo loses 800 jobs

Saab shock

IN February this year, Malmo received a shock. Saab Auto-mobile, the motor company jointly owned by General Motors of America and Saab-Scania, announced its intention to shut down the SKr1.3bn assembly plant in the city, open only for 16 months, and transfer production to its more efficient and profitable Troll-

hattan plant in south-west Sweden, writes Robert Taylor. The decision, involving the loss of 800 jobs, was predictable in the face of the company's mounting financial troubles, but it was still embarrassing for the Swedish state. In the spring of 1986, the government induced Sash-Scania to build the plant on the site, where the old Kockum's shipyard was

about to close.

The promise of the new car plant eased the pain of the closure of much of Malmo's shipbuilding facilities and seemed to vindicate the government's industrial policies. industrial policies of adjustment to structural change. What will happen to the

Sash Antomobile owns, the freehold and wants to sell off the site in a commercial way. Saab-Scania has called a meeting for June 27 with US

car component companies to discuss if any would be interested to establish facilities on the Malmo site. The Swedish industry department will be involved in the presentation.

This is a new venture for the authorities. The level of for-eign interest in establishing facilities inside Sweden has been low during the 1980s, for many of the country'e regula-tions do not make this attractive. Changes are promised in company legislation to remove curbs on foreign ownership of Swedish companies, but they have failed to emerge as yet.

Saab Antomobile's Malmo property covers an area of 691,297.5 sq metres, larger than the size of the old quarter of Malmo. Moreover, the land concerned runs along the city's waterfront. Its future will determine how successful Malmo will be during the 1990s in attracting new companies.

Meet us everywhere!

PLM, one of Europe's biggest and most versatile packaging companies, designs and produces innovative packaging in glass, metal and plastics.

In addition to our facilities in Scandinavia, Germany, The Netherlands and the U.K., we are also involved in packaging production in the Middle East and South America.

A new plant for beverage cans is under construction in southern France and it is expected to be in full scale production from early 1992.

The company's turnover is around 600 million pounds and it employs some 6.000 people.

At PLM we like to think in terms of total packaging systems designed to meet the dynamic needs of the market place and our customers. With our increasing involvement in recycling, we are ever conscious of our responsibility towards the environment.

It is hardly surprising that throughout Europe major brand marketers are turning more and more to PLM for their packaging.

We are always pleased for you to visit any of our locations and discuss your specific requirements.



Box 836, S-201 80 Malmo, Sweden, Tel.+46 40 20 90 00



Are you looking for a bank that is at home in the international treasury and trading markets?

Then talk to S-E-Banken. We are the leading international Swedish bank with offices all around the world.

The hubs of our treasury and trading operations are Stockholm, Frankfurt. London, New York and Singapore. We also have trading operations with dedicated specialists in Gothenburg, Malmö, Luxembourg, Geneva, Paris

and Hong Kong. This gives us a solid base to efficiently support all companies doing business with Sweden and Scandinavia one way or another.



Stockholm +46 8 7635000, Frankfurt +49 69 280671, London +44 71 588 64 14. New York +1 212 2860606, Singapore +65 223 92 92.

L'Egisto

Cavalli is no longer in vogue: Clyndebourne has long with-drawn from its audiences the nleasures of L'Ormindo and La Calisto, and it is nine years since Scottish Opera mounted a new staging of L'Egisto (1643), the sixth Cavalli opera. Works of art that aim to delight and hurt not always find it harder to press claims on an audience than those that seek to inspire and ennoble.
Still, the lovely production of
L'Egisto that is being given
four performances this week. IN STREET at the Royal Academy of Music it opened on Monday reminds us what we are missing as a result of the neglect.

Special .

1 .64 %.

ace cr.s

The mixture of 17th century Venetian opera was, as a rule, worked up to provide sure-fire entertainment (Monteverdi hent that rule, as genius always must). L'Egisto, with its pairs of star-crossed (or rather, cross-wired) lovers, its contrasts of amorous pleasure and amorous pain, its witty, squabhling gods and seen-it-and-done-it-all servants, its neat plot-untangling in time for a blissful finale, is a won-derful example of the mixture.

Yet in a sense it too bends the rule; for in the third act madness alters the formula, and before that there has been heard — from Climene, one of the jealous lovers - a lament of such exquisite poignancy as to enrich and deepen the enter-tainment. In *L Egisto* one senses a touch of Arden Forest or Athenian wood in the loveinirigues, always refreshed by Cavalli's peerless sense of the human voice as a prometer of

The RAM production presents the work in the Raymond Leppard edition: that is to say, in a form re-ordered, shortened, inshly scored, at times re-pitched, and generally some way distant from the original. It is no doubt an unscholarly text for a student opera troupe to tackle; but in the little RAM theatre is it still called the Sir Jack Lyons Theatre?) the con-ductor. Wyn Davies, had schooled his singers and instrumentalists to project their lines with such freshness and lack of additive sweetener in the sound that one soon forgot to mind. The use of the translation by Leppard and Geoffrey Dunn helps hugely.

Geoffrey Dunn helps lungely.

The production, by Judith Sharp in the chic designs of Paul Edwards, has its predictable moments (much cancoding on the floor) — but also such charm and a way of matching youngful performing capabilities to the form and content of the opera in a way that lends it a new shine. There is a good dear of talent on offset in the first cast. Only one voice, that of the superb one voice, that of the superb young countertenor Andrew Watts (thin), seems ready for the wider world; technical faults still past the others.

But in Egisto's madness the dusky loned tenor of Octavio doc Sonios Neto was nonestly affecting, as was the light, strongly colourful soprane of Ana: Neves in Climene's lament; and many others Emma Garlick (Clori), Sizerric Bay (Amor), James Barrett (the nurse in-drag Dema) and David Campbell (Ipparco) notable among them— deserve far more than performed by other companies.
I should like, perversely, to
see it performed in repertory
alongside David Hare's Racing temperate praise. 1.44

Praemium Imperiale winners announced

The winners of the 1991. Praemium Imperiale Prize, the Praemium Imperiate ring, and world's largest Arts Prize Gae Aulenti (fizikan), annual world in total \$550,000, were ture, György Ligeti (Austrian), worth in total \$550,000, were ture, György Ligeti (Austrian), worth in total \$550,000, were ture, György Ligeti (Austrian), worth in total \$550,000, were ture, György Ligeti (Austrian), worth in total \$550,000, were ture, György Ligeti (Austrian), and light in the street of the control of the

"(French), for painting; Eduardo Chillida (Spanish), sculpture; Gae Aulenti (Italian), architec-Paris. They are: Balthus (Swedish) for theatre/film.



Julie Walters: well padded as Serafina in Peter Hall's production

Demon, because it takes so radically different a view of Chris-

tianity. Set in Roman Armenia

in 250 A.D., when the persecu-tion of Christians was nearing

its end, it's a heroic drama; and its protagonist proclaims his Christianity, reviles the

ancient Gods, renounces wife and world and goes to meet his

OK, enough. Now I turn into

Mr. Hyde. In no way is this Gate production worthy of Cornelle, or of Clark's translation,

or indeed of the Gate's high standards. Jasper Britton brings an interestingly wry wit

can show no kind of religious

exaltation. None of the martyr's sense of transcendence.

As Pauline, Sarah Reed has a certain adolescent fervour, and

she produces real tears on most of the occasions Cornellie

asks for them (so does Jane Louise Arnfield as her confi-

dante Stratonice). But she, like half the cast, shouts e lot. Peter Benedict directed. 1

wonder why. Noone shows much range focused vocal tone; and several syllables get lost. Noone can at and elo-

quently. Characters keep sit-

ting down, propping them-selves against the wall, or washing themselves. There is

no sense of scale. The governor Felix (George Staines) presents arguments and decisions like an overworked housemaster. The word "noble," which spoke

volumes in the era of Corneille,

Alastair Macaulay

has no meaning here.

The Rose Tattoo

PLAYHOUSE THEATRE

Polyeuct

GATE THEATRE

We live in e great age of translation, as Jasper Griffin

remarked the other week in the Times Literary Supplement. Nowhere is this more astonish-

ing than in the tragedies of Corneille and Racine, whose use of alexandrines makes

them, I think, the most untran-slatable poets since Horace.

Of the two tragedians, Cor-neille - whom Mme de

Sérigné greatly preferred – has been far less known here; but Ranjit Bolt's brilliantly

prisone translations of his con-edies *The Liar* and *The Illusion* (both for the Old Vic) have

had by far the greater range. Now the Gate, always in the vanguard of discovering Euro-pean classics, brings us the

British premiere of his 1642

Christian tragedy Polyeuct,

which has often been called his

greatest play. Noel Clark'e new translation

succeeds in theatrical terms. He has caught Corneille's ele-gant, educated, precise classi-

cism without making it archaic. This is a translation

that should be published, and

The first night of Sir Peter Hall's new production of The Rose Tattoo ran about a quarter of an hour beyond schedule and therefore seemed unnecessarily slow. The Rose Tattoo is not typical Tennessee Williams. It contains more that the usual number of jokes, for a start.

The play is a tease. Some of the teases are eutobiographical, like the references to names which figured closely in Williams's life. Other teases may be there more by accident than design, like the role of Alvaror is he the innocent lover, or just a gigulo who drives a truck? Some of the devices used are pretty feeble, like the introduction of a passing salesman who serves no purpose other than to let in Alvaro. Others are stock Williams, like the sound of sub-tropical hirdsong in the background. Yet there is plenty to talk about afterwards.

Take Julie Waiters's performance as Ser-afina delle Rose, the Sicilian-American, married at 14, who has spent 12 years

sleeping every night with her husband, only for him to be killed and then to find that he was unfaithful, which everyone

that he was unfaithful, which everyone else knew all along. The discovery drives her to drink, to seeking signs from the Virgin Mary, to dressing like a slut and locking up her daughter but eventually—and this is the twist—to another lover.

Serafina is a gem of a part. Ms Walters is not quite there yet. She is in my view too fat. No aspersions on her personally, it is probably a brilliant joh by the padding department. The text clearly states that she is wortled about her spread: hence her occasional recourse to a girdle. Yet it would be more subtle if she did not look quite so much like a female Falstaff. A would be more subtle if she did not look quite so much like a female Falstaff. A more attractive Serafina would also explain why she has such a beautiful daughter, Rosa, played by Lisa Orgolini, Rosario, the dead hushand, never appears. We know from his mistress Estelle, who runs one of the tables at the local casino, that he is wild and like an

animal. It is these wild animal spirits that eventually take over the play. When Serafina takes her new lover, there is an almost Bacchanalian mood among the local women who have previously been little more than prying gossips.

There is also loads of symbolism: a goat that runs wild, then captured; and some sexual foreplay with chocolates. The Virgin Mary is ultimately dethroned. Plenty of ambiguity, too. How is it that Alvaro, the shy lover, manages to get through so quickly to Estelle and get a direct answer from her about Rosario's infidelity?

Alvaro is well enough played by Ken

Alvaro is well enough played by Ken Stott, who like everyone else will probably get better as the performances go on. The set, designed hy Alison Chitty, looks expensive, but creaks a bit. One wonders why a production with so many talents at hand should initially seem so under-re-

animal. It is these wild animal spirits that

Malcolm Rutherford

Augustine (Big Hysteria)

At first, Augustine (Big Hysteria) looks daunting. It is set in the Salptrire Hospital of Neurology in 1875. But do not be daunted; this is fresh, excit-ing and heartbreaking drama. It shows the clinical progress of "grande hysterique" Augustine Dnbois, e convent girl raped at 13 by her mother's employer, and now subject to bonts of hysteria which pro-vide theorist Jean Charcot with opportunity to experiment. Charcot maintained that hysteria had no organic basis; his protege, the young Freud, went further, claiming that Augustine's body was the thea-

is the debate here. Charcot sees in the hysteric "a body lying to us". Frend sees a girl lying to herself. He was formulating the therapeu-tic methods which trace each ss back to its primal scene, principally hy listening to the petient. The main complication is Augustine, who turns illness into performance at Charcot's lectures, and finally bows out like the kitten that has been playing with us all along.

Therapy turns on the ques-tion "what happened?", and lays bare the roots of the disorder like dental nerves. Augustine copes with the intrinsic drama of therapy and then raises the issues of child rape, medical experimentation and men's assumptions about women's psychology ("All hysterical women cry rape.") This is an intensely feminist play, harshly critical of the violent medical attitude to what Char-cot called "the most pictur-

The play depicts Augustine's hysteria in ways which neither shock nor intimidate; nor does one feel prurient. The direction is meticulous, like the best psychoanalysis finding details for everything and treating noth-ing as irrelevant. It has the rare quality of seeing things afresh; one hilarious scene presents the doctors' cigar smoking rituals as hysterical

smoking rituals as hysterical behaviour merely by turning the spotlight on them. The hos-pital set is chilling.

The acting is nniformly excellent. Wolfe Morris as the oily Charcot and James Dreywonderful partnership. Shona Morris as Augustine meets the technical and psychological demands superbly; she creates a convincing, terrifying and sad character. Her non-speak ing alter-ego is rendered on the violin hy Anne Wood, who mixes screeching glissandi with snatches of Bach and Krentzer while bounding around the stage.

Anna Furse's script is knowing about Freud. Freud's brilliance was to find metaphors for thought: Charcot'e was to wrap the medic and showman in the ready palm of the pro-ducer. Just as 1980s Hollywood rediscovered "big" as a concep - The Big Chill, The Big East and Big - Charcot had evolved lectures based on Grande Hysterie to tempt the crowds. Be tempted. This is an evening which speaks to us of

NEW YORK CINEMA

Acerbic about soapy Hollywood products

ateline New York. Within 48 hours of otherwise be weighty with doom or self-importance.

There is also the use of laughter by the filmrash from a crah sandwich and been spoken to sharply down the telephone hy Katharine Hepburn.

Like the songwriter I love New York in June. But as e city, it is where the phrase "pace that kills" comes closest to reality: especially when early summer heatwaves roast the blood (90 Fahrenheit as I write) and Gulf War victory parades play havoc with traffic patterns.

I was here to see movies and movie people. Miss Hepburn resisted my request for an interview, an action that instantly enrolled her in a distinguished but far from exclusive club. Your critic's questing microphone did, however locate Woody Allen, who in a 57th St penthouse spoke to the PT about comedy, New York and the state of late 20th century man. (And woman.

Keep watching Saturday's features pages).

The subjects discussed with Allen came booming off the cinema screens when I sought the new releases. Early summer comes second to Christmas as an American distribution spree.

Perspiring queues form around 42nd St multiplexes, movie advertisements bombard the TV victors and two distributions green. viewer, and trend-watching critics scour the marquees to see what film fashions will mark the year. Last year saw a sudden-death play-off between twilight sequel mania (Die Hard II.) Back To The Future III) and the new sentimentality (Pretty Woman, Ghost). This year, after a winter and spring of serial killers, the mood is

What About Bob?, Switch, Soundish and Hudwhat About Body, Statich, Souphiss and Hud-son Hawk are among the new examples crupting in all the immediacy of digital sound. They dety you to sit there laughless and they mug you with enhanced farcicality if you do. Laugh you will; except in the case of Hudson Hawk, a Bruce Willis crime caper of audacious inepti-tude about a cat hurgiar and a Leonardo Da Vinci gold-making machine. Since the film cost as much as Heaven's Gate to make and seems likely after its reviews to reap the same box-office rewards, a gold-making machine is what Tri-Star Pictures may soon need. Directed by Michael (Heathers) Lehmann, the

film contains some good jokes, but the pace is so headlong that they seem subliminal. In the cin-ema I attended, the film hurned in the projector

after 90 minutes, as clear an instance of cellu-loid death-wish as I have seen.

Far better are Soapdish and What About Bob?, two sparkling comedies about American institu-tions. Soapdish dips an all-star cast — Sally Field, Kevin Kline, Whoopi Goldberg, Carrie Fisher – into the sudsy waters of American daytime TV drama. How wonderful to see Hollywood being acerbic ebout the scapy products Hollywood itself, for the most part, makes. Deathless lines of dialogue unite with breathless performances; especially from Miss Field as the prima donna of non-primetime and Kevin Kline as a dinner-theatre Willy Loman raised to net-

What About Bob? is better still. The American phenomenon analysed here is the analyst. New York psychiatrist Richard Dreyfuss is pursued all the way to his lakeside New England vaca-tion hy multi-phobic patient Bill Murray. Mur-ray has more unpredictable tics and traits than anyone since the Emperor Tiberius, and margin-ally more power over people's lives. He harries Dreyfuss into an apoplexy, but not before the good doctor has tried everything from emotional blackmail to "death therapy". Frank Oz-directed, Tom (Honey, I Shrunk The Kids) Shul-man scripted and Murray and Dreyfuss are a

All tha movie comedies mentioned have plots launched in New York: a scarce-precedented happening in an LA-dominated industry. They are joined in the Manhattan rumba by Blake Edwards's Switch, all about a murdered Wall Street yuppie returning to earth as a woman (Ellen Barkin), and Woody Allen's own Alice, all about a woman (Mia Farrow) returning to life,

figuratively speaking, from marriage to — yes
— a Wall Street yuppie (William Hurt).

Neither of these films is their maker's best
and Edwards's may be his worst. Feehly scripted and acted, especially by the frantic Bar-kin, it is like two hours in the company of a party bore trying to sell you insurance. Allen's movie, opening in Britain soon, has more charm hut less energy.

The strangest feature of the new comedy out-hreak is that it infects films made in other genres. We have an epidemic of hyphenates like the comedy-action thriller (Thelma And Louise), the comedy-Western (City Sticker) and even tha comedy-race drama (Spike Lee's Jungle Fever). All three of these films, noted at the Cannes Film Festival, have opened in New York to critical rapture. The first major trend of 1990s Andrew St George American cinema may be the use of comedy to lend irony or perspective to plots that might

goer in contending with major Hollywood turkeys. The only rival to *Hudson Hauk* in the mega-budget stakes is *Backdraft*, a \$39m fire-fighting epic directed by Ron (*Cocoon*) Howard. I saw it at the Ziegfeld Cinema on 55th St. which the large enough to make the street around distall is large enough to make the wrap-around digital soundtrack sound like surf crashing around e drowning man. The fire scenes are sensational. They play every variation on the Promethean theme from lunging walls of flame devouring whole huildings to tiny, flirtatious curls of smoke that lick under a door and then retreat, signalling the deadly "backdraft."

Unfortunately there are also humans in the

Unfortunately there are also humans in the film. They are wired for the worst dialogue in human memory. An entire audieoce of New York Saturday-nighters exploded at the climactic line uttered hy admiring hero Kurt Russell when he sees his nervous young sibling (William Baldwin) et last tackle a raging inferno like a man. "That's my hrother, god damn it!"

The Ziegfeld is where I lost a three-figure sum of folded greenbacks, god damn it, lifted from my back trouser pocket. But schooled by several hours of goodhumoured cinema. I gave a ligh-

hours of goodhumoured cinema, I gave a ligh-thearted chuckle and only screamed wheo alone later in my hotel room



Kurt Russell in Backdraft

From this 38th floor eyrie I could see New York stretched out beneath me like an rich lady patient mildly etherised on a analyst's couch. The jewelled lights winked up from the velvet-dark background. The reason more films should be made in New York and fewer in LA is simple. Where LA is e drowsing paradise on the Pacific New York has a perpetual sense of beautiful

You start to miss it as soon as you see films set anywhere else. Films like Career Opportunities, a small-town comedy by Home Alone screenwriter John Hughes which has plummeted down the charts almost as fast as Home Alone has shot to second place in the all-time box-office listings. (Home Alone made up for its non-New York setting by importing urban crisis into suburbia.)

Or like Teenage Mutant Ninja Turtles II: The Secret Of Ooze, which extends into realms of unimaginable tedium the adventures of the pizza-eating, foot-kicking amphibians. The Turtles' home is a recognisable pseudo-New York of steaming snhway-vents and screaming police sirens. But by turning it into a comic-strip for kids, the film misses Manhattan's mournful, majestic maturity. New York, once it bites you, is hard to shake off. Worse, you find you do not even want to. As I write in my hotel lohhy, I am hypnotised not disturbed by the stressed fellow-guest delivering the following soliloguy on a nearby sofa. "Bastards! Assholes! I have to go to a damned business breakfast on a hot day!"

But my most searing memory in the New York dialogue-of-the-deaf stakes was my exchange with KatharineHephurn. It was not that we discussed a proposition that either of us exactly turned down. It was more that different sonic worlds were on collision course. "I can't understand your accent!" finally cried Miss Hep-burn, in her near-impenetrable Bryn Mawr, as l tried to spell out my intentions.

Nigel Andrews

INTERNATIONAL TODAY'S EVENTS

AMSTERDAM

.

Concerigebouw 20.15 Antonio de Almeida conducts Netherlands Redio Symphony Orchestra in Albeniz's Iberle and Granados' Goyescas. Tomorrow: Yahudi Menuhin conducts the first of three Friday evaning Beethoven concerts with the Netherlands Philharmonic Orchestra, Christian Zacharias is pland soloist tomorrow in the Second Piano Concerto (6718 345) uziektheater 19.30. Frans Brüggen Conducts Peter Mussbach's production of Idomeneo, with Ben Heppner in title role, Laurence. Dale as Idamante and Fave . Robinson as Elettra. Runs till June 26, with next performance on Mon. Tomorrow and Sun: Monteverdi's Ulisse (6255 455)

BERLIN

MUSIC AND DANCE Komische Oper 19:30 Tom Schilling'e production of Les Contes d'Hoffmann, ballet after Offenbach, also Sun. Tomorrow Ania Siegert in an evening of solo dance (2292 555) Schauspiethaus 20.00 Jac van Steen conducts Berlin Symphony Orchestra in Bruckner's SixthSymphony and Berg'e Chamber Concerto for piano, violin and 13 wind instruments, with soloists Michael Erxlaben and Gerald Sat (2272 261) ... The Berliner Ensemble is showing

Brecht'a play Schweyk tonight, tollowed by The Caucasian Chalk Circle on Sat and The Threepenny Opera on Sun (288 8155). The Deutsches Theater has Heiner Mullar'a Der Lohndrücker, directed by Muller and designed by Erich Wonder. The Shakespeare/Muller coupling of Hamlet and Hamletmachine can ba aeen in an all-night show starting on Sat at 23.50 (2871 225). The Maxim Gorkl Theater has Peter Schaffer's Amadeus tonight, followed by Thomas Langhoff productions of George Tabori's Main Kampf tomorrow and Chekhov'e Three Sisters on Sat (208 2783). The Volksbuhne has Shakespeare's . The Comedy of Errors tonight at 20.00 (282 8978). All these theatres are in the eastern part of the city.

BOLOGNA

Testro Communale 20.30 Giuliano Carmionola plays Berg's Violin Concerto with the Orchestra of the Teatro Communate conducted by Daniale Gatti. Programme also Includes orchestral suites from Der Rosenkavaller and Salome. Tomorrow, Sun and next Tues: Die Zauberflöte (529999)

■ BRUSSELS

Palais des Beaux Arts 20.30 Winners of the fourth, fifth and sixth prizes in this year's Queen Elisabeth Plano Competition

appear in e concert with the New Belgian Chamber Orchestra conducted by Jan Caeyers (507

Monnale 19.00 Sylvain Cambreling conducts Luc Bondy'a production of L'incoronazione di Poppea, with Catherina Malfitano in title role end Wieslew Ochman as Nerone. Also Sun at 15.00 (219 6341).

■ CHICAGO

Orchestra Hall 20.00 Gunter Wand conducts Chicago Symphony Orchestra in Schubert's Eighth and Ninth symphonies. Repeated tomorrow at 13.30. Sun at 16.00: High School Blg Band end Orchestra concert (435 6666)

LONDON

Covent Garden 20.00 Royal Bailet tripla bill: works by Nijinska and Ashton, repeated tomorrow. Sat: Jaffrey Tate conducts revival of John Schlesinger'e production of Les Contes d'Hoffmann (240 1066) MUSIC Collseum 19.30 Michael Lloyd

conducts David Pountney'a production of The Cunning Little Vixen, with Lesiey Garrett in title rola and Norman Beiley as tha Forester. Tomorrow: Lady Macbeth of Misensk, Sat Peter Grimes (836 Royal Festival Half 19.30 Giuseppe

Sinopoli conducts the Philharmonia in Brahms' Fourth Symphony, Webern's Five Pieces and Passacaglia, and the closing scene from Salome with Jessye Norman. Tomorrow: Jose Serebriar conducts Rachmanlnov's Piano Concerto (9288800)

Queen Elizabeth Hall 19.45 Hilary Devan Whetton conducts the Wren Orchestra and City ot London Choir in e centenary tribute to Sir Arthur Bliss, with e progremme including John Dankworth'e Thy Kingdom Come and Bliss' Lie etrewn the white flocks. Tomorrow: Allegri String Ouartet give world premier ot George Newson'a eecond quartet. Sat: Cheleea Opera Group performance of Puccini'e La Rondine. Sun: recital by Tamas Vasary (928 8800)

Barbican 19.45 Howard Shelley conducts Royal Philharmonic Orchestra in Beethoven's Seventh Symphony and joins Hilary MacNamara in Mozart's Concerto for two pianos. Sun: Richard Hickox conducts Delius' Sea Drift and Faure'e Requiem, with Tasmin Little soloist in Bruch's Violin Concerto (638 8891) THEATRE

Plays: Rose Tattoo is a Peter Hall Company production of Tennessee Williams' play set in Louisiana in the 1940s. Julia Walters plays tha young mourning widow Serrafine delle Rosa, whose epirits are lifted by tha arrival of a truck driver (Playhousa). Edward Fox and Tim Brooke-Taylor star in Christopher Hampton'e comedy The Philanthroplat (Wyndham's). Dancing at Lughnasa ia Brian Friel'a awerd-winning play about five sisters in 1930s Donegel (Phoenix). All for Love la Dryden'a varsion of Antony and Cleopatra, with Diane Rigg in rapturous form (Alamida, tel 071 359 4404). For bookings and Information about West End shows, Phona Theatreline

from anywhere in the UK: Plays

0836 430959 Musicals 0836 430960 Comsdies 0836 430961 Thrillers 0836 430962

■ MILAN

Teatro ella Scale 20.30 Ginandres Gavazzeni conducts Franco Zeffirelli's production of Le bohème, with a cast led by Mirelle Freni, Richard Leech and Gino Ouilico. Repeated Set and next Tues (7200 3744)

■ MUNICH

production of Prokofiev'e ballet Cindarella, Tomorrow and Sun: Wollgang Sawallisch conducts Cardillac. Sat: Dar filegende Hollandar, with Hartmut Welker in titla role and Sabine Hass as Senta (221318) Philharmonia 20.00 Kurt Masur conducts Munich Philharmonic Orchestra in Beethoven'a overture Leonore No 3 and Tripla Concerto with Beaux Arts Trio, plus Shostekovich's First Symphony. Repeated tomorrow and Sat. elso Sun at 11.00 (48098 614)

Staatsoper 19.30 Riccardo Duse's

■ NEW YORK

Metropolitan Opera 20.00 American Bellet Theatre: Vladimir Vasiliev'a staging of Don Quixote. Rapeated tomorrow, plus matinee and evening performences on Sat (362

New York State Theater 20.00 NY City Bailet in Balanchine'e Jawela music by Faurė, Stravinaky and Tchalkovsky, Tomorrow, all-Robbins avening (870 5570) Avery Fisher Hall 20.00 Andre

Philharmonic Orchestre in Brahms Academic Festival overture and Mozart's Symphony No 39, with Andre Watts soloist in Previn's Pleno Concerto. Also tomorrow

Previn conducts New York

■ PARIS

Opéra Bastille 19.30 Myung-Whun Chung conducts Pler Lulgi Pizzl's production of Samson et Dallle. Last performence on Sat (4001 Théâtre de la VIIIe 20.30 Palermo Palermo, new dence work by Pina Bausch, with Tanztheater

■ VIENNA

Staatsoper 20.00 Bellet double-bill, music by Richard Streuss, with Lucia Popp ainging Four Last Songs (51444 2960) Volksoper 19.00 Donald Runniclea conducts Cosi fan tutte, sung in German. Tomorrow: Dia Fledarmaus. Sat: Tha Marry Widow (51444 3318) Konzerthaus 19.30 Theodor Guschlbauar conducts Vianna Symphony Orchestre in symphonies by Heydn and Schubart, plus Wabern'a Five Pieces and Berg'a Five Orchestral Songs Op 4. Tomorrow: Barenboim conducts Vienna Phllharmonic. Sun: Harnoncourt conducts Mozart and Beethoven with Chamber Orchestre of Europe (7124 6860) Messepalast 20.00 Paul Zech's atage adaptation of Rimbeud's Tha Drunkan Ship, in a production by the Berlin Volksbühna directed by Frank Castorf. Daily till Sun (586

European Cable and Satellite Business TV (all times CET)

MONDAY TO FRIDAY

CANY
0800-0630 Moneyline
0800-0630 Moneyline
1230-1300 CNN Market Watch
1330-1400 Business Day
2000-2030 World Gusiness Today
a joint FT/CNN production with a
review of the day's major business stories Superchannel 0700-0830 Financial Times Susi ness Report A five minute business briefing broadcast three limes between 0700 end 0800 2220 - 2250 (Wed) Financial Times Suginess Weekly - the talest round-up of business news with

ames Bellini and Debbie Middle 0830 & 2030 (Thurs) Financial Sky News 1200 International Business Report 2130 (Thurs) Financial Times Busi-

SATUROAY 0800-0830 Moneyline 0800-0830 World Business Today a joint FT/CNN production 1540-1810 Moneywask 1900-1930 World Susiness This

2110-2140 Your Money 1800-1830 FT Business Weekly 1930-2000 FT Business Weekly 2330-0030 FT ausiness Weeki Sky News 1030-1100 FT Gusiness Weekly

0710-0740 Mone 1540-1510 Your Money 1900-1940 Moneyweek 0040-0110 Inside Business

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SET 9HL Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Thursday June 13 1991

Lilley on competition

THE MOST pressing issue for UK government competition policy hardly ranked a mention in yesterday's restatement of the government's approach by Mr Peter Lilley, the trade and industry secretary: the condition of the privatised utilities. Their profits, and the weakness of the competitive pressures they face, should provoke some rethinking by a government rhetorically com-mitted to the virtues of competition. Yet in the face of mounting concern Mr Lilley offered little more than a triumphalist assessment of the achievements of privatisation.

That complacency was all the more disappointing because it came from the leading cabinet proponent of the free market. Responsibility for much of competition policy may now quite rightly rest with the EC. But there is still policy. If Mr Lilley cannot conjure up an imaginative vision of competition policy, there must be doubts about whether this government will do any more than tidy up the achievements of the past

This is not to gainsay a number of sensible points raised in the speech, for instance denouncing national champions and support for a tough European Commission approach to state aids. Proposed curbs on companies building up market power through a string of small acquisitions will also be a use-

ful advance. When it comes to the ques-tion of bids for UK companies by foreign, state-owned interests - the province of the largely misconceived Lilley doctrine - the most urgent need is for greater clarity.

Rightly convinced

Mr Lilley remains rightly convinced that state ownership can create the potential for anti-competitive behaviour and thus a referral. But he will now implement the policy more selectively, only referring bids when there is a real risk that competition could be impaired. The fact that a company is state owned will not be enough on its own. The level of state ownership in the company will need to be significant; the com-pany will have to be attempt-ing to purchase a large market

exercise considerable control over the company, and it will need to have displayed anti-competitive tendencies in the

Prior to this re-formulation, which smacks of a climb-down which smacks of a chino-down, the Lilley doctrine had been drained of credibility. Mr Lilley had referred bids against the advice of the Office of Fair Trading, only to have four of the five referred hids cleared by the Monopolies and Mergers Commission. In future, there should be fewer referrals and the potential for a more harmonious relationship between Britain and its European part-ners. The fact that Mr Lilley has also promised that in future the MMC will make greater public use of precedent in reaching decisions should further promote the cause of predictability in competition policy generally.

Important omissions

So far, so good. But there were four important omissions. First, the EC is now engaged in a decidedly anti-competitive anti-dumping policy. The UK should oppose this far more vigorously than it does.

Second, the role of competi tion in the privatised utilities must be expanded, either by encouraging new entrants or by breaking up dominant companies. The time has come for the MMC to be asked to start a series of investigations in this

Third, his commitment to legislation, time permitting, that would give the OFT greater powers to investigate cartels, is limp. It has taken the government two years to make this conditional commitment to legislation modelled on Article 85 of the Treaty of Rome, it should go further and introduce legislation modelled on Article 86 as well, which would outlaw other abuses of dominant positions. The idea that shortage of parliamentary time is a barrier to progress becomes more ludicrous as the prospect of an autumn election

Attitudes to competition are the central remaining difference between the government and the Labour party. Not turning back is not good enough, Mr Lilley. You should be trying to move forward.

The leaving of Liverpool

LIVERPOOL often looks like a mini-British version of New York: a cosmopolitan city rid-dled with debt and corruption, and a collapsing tax base created by an exodus of industry and the middle classes. Unlike New York, however, Liverpool is some way towards reviving its fortunes - despite the cur-rent strike by council workers which has choked the streets with uncollected garbage. Success in the task of regen-

Success in the task of regeneration is vital: though its population has shrunk to below 450,000, Liverpool remains the economic capital of an important British region of some 2m people. The people of surrounding boroughs like Sefton and Knowsley stew in Liverpool's pulces and are largely roomer. juices and are largely powerless to do anything about it.
It is tempting to argue for direct rule by government-appointed commissioners. This would be wrong: successful urban regeneration on both sides of the Atlantic has been led by people pulling them-selves and their communities up by their own bootstraps, not outsiders telling them what to do. As the experience of cities lika Glasgow and Sheffield demonstrates, it requires local leaders with a wider vision of the community than their individual, sectional roles within it, and a community in which

all sections are prepared to

submerge their differences and work towards common goals.

After years of decline when Liverpool was unable to find the leadership to pull together all sections of the community. the city now has a Labour administration under Mr Harry Rimmer which anjoya the backing of most local interest groups – including the private sector. The power base of the former Labour left is now restricted to the rump of Broad the Labour party and a few key union branches. The current strike (which shows signs of crumbling) almost certainly represents its last major blow.

Demographics and electoral boundaries should provide Labour with the majority it needs for the years that it will take to complete the task. Yet it is worth reflecting that this consequence of the first-past-the-post electoral system may have contributed to the prob-lems which have afflicted Liverpool. The Conservatives were the beneficiaries in the 1960s, with almost three-quarters of the council seats on about half the vote. In the about hair the vote. In the 1980s, it was Labour, with the Broad Left caucus exerting undue power through its grip on Labour's electoral machine. The creation of "one-party states" of either political hue is had for local democracy and

economic efficiency - a point Mr Heseltine might ponder as part of his review of the struc-ture of local government.

Bruges baloney

NOSTALGIC Little Englanders who want Britain to use its veto to prevent the establishment of a European monetary union are not thinking clearly. Britain has no such power. There must be unanimity under the Rome Treaty, but there is little hope of stopping the continental Europeans from establishing a monetary union if they want to. If Britain seeks to deny what the other 11 members of the European Community profoundly desire they may go ahead on their own, in a paral-

lel treaty. Mr John Major should spell this out to those who see merit in the overblown arguments of the Bruges Group. The prime minister has a good chance of

negotiating an agreed Emu amendment to the Rome Treaty. This would enable Britain to stay out unless and until parliament votes to go in. It would be particularly helpful if such an amendment were unadorned by declarations of the desirability of monetary union, but even if it does contain a few flowery phrases any likely deal arising from the likely deal arising from the present intergovernmental conference on Emu will leave it to Britain to decide whether and when to join. The final deci-sion must be subject to a vote in the House of Commons, probably after the next election. Neither Bruges nor its president, Mrs Margaret Thatcher, can reasonably ask

hining in the Seattle sunshine, the tail of an Air Europe 757 jet parked on Boeing's vast private airfield was clearly visible from the offices of Mr Frank Shrontz, the Boeing chairman. It was a stark reminder of the current turmoil in the aviation market.

The aircraft, grounded with the rest of the Air Europe fleet after the col-lapse of Britain's second-biggest air-line two months ago, was waiting for a new customer. "There won't be any problem placing it," Mr Shrontz said. "Wa've seen other airlines come and

But the problem may run deeper than just another cyclical downturn in the airline business. Airlines are facing a financial crunch. Even stronger carriers such as British Airways, American Airlines, and Lufthansa, are operating under severe strain. In the first quarter of this year alone, the airline industry lost about \$2bn. Although there has been a tentative recovery in air traffic, there has so far been no comparable rise in fares. Airlines are currently engaged in a cut-throat discount war to lure travel-lers to fill their empty aircraft seats. "The financial position of airlines remains bleak," Mr Shrontz conceded.

Thus, as the aerospace industry assembles at the Paris Air Show today — its biggest international showcase — the main question facing the manufacturers, including Boeing, the world's largest and most profitable, is: where are the airlines going to find the money to finance their new aircraft commitments, totalling \$450bn (£260bn) during the next 10 years?

The problem of aircraft safety has also come to the fore, after the crash in Thailand of a Boeing 767 owned by Lauda Air. Air crash investigators are still trying to discover the cause of the crash, in which 223 people died.

Financially, the defence sector will not come to the rescue again. At Boeing a stable flow of profits from its defence businesses helped sustain the capital-intensive commercial aircraft operations during the previous down-turn in the early 1980s. This time, the cyclical downturn in civil aviation has coincided with what appears to be an irrevocable long-term decline in the defence business

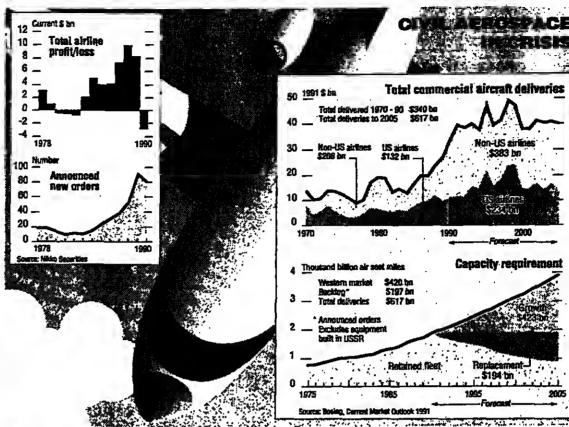
Boeing was part of the industrial consortia that recently won two multi-hillion-dollar competitions for America's new Advanced Tactical Fighter and for the US Army's new light-attack helicopter. "These two programmes will provide some long-term stability in our defence business," said Mr Shrontz. Yet despite these successes, he saw no change in the overall trend of shrink-ing defence budgets. In the short term, Boeing's defence operations would continue to be in the red this

The official lina trotted out in The official lina trotted ont in Seattle and in Toulouse, the bead-quarters of Airbus, Boeing's principal European rival, is that while the industry is going through a particularly difficult cycle, the civil airline market will eventually recover and show higher-than-average growth over the next 10 to 15 years. "We have seen no cancellations of orders. We seen no cancellations of orders. We have seen the timing of a few orders slide. For the longer term we see increased growth in air travel. In the near term, there is some cause for concern. But so far so good," said Mr. Shrontz, whose company currently accounts for between 55 per cent and 60 per cent of the commercial aircraft market. However, he conceded that the longer the malaise lasted, the higher the risks.

For the third time, a recession in

the atrline industry has coincided with a peak in new aircraft deliveries. During the first oil crisis in 1973-74. airlines took delivery of what was then a record 352 new aircraft. The record was broken in 1980 during the second oil crisis when 445 new air-craft were delivered to airlines again in deep financial difficulties. This The world aerospace industry has been hit by the Gulf war, recession and a fall in defence spending. Paul Betts reports

Looking for a break in the clouds



year, with the industry in its worst recession since the second world war. sirlines are expecting to take delivery of 827 new aircraft booked in during the recent upturn of the late 1980s. The intake this year, coupled with the large number of aircraft to be delivered during the next 10 years, will further strain airline balance sheets. These orders are bound to worsen the industry's heavy indebted-ness, warns Professor Rigas Doganis, head of the air transport group at the College of Aeronautics of the Cran-field Institute. In a new edition of his book* on airline economics, he says airlines would have to achieve a net

airlines would have to achieve a net operating profit of 5 per cent return on sales a year to finance their new aircraft acquisitions. They have not done this since 1969, although they came close to it in the late 1980s.

Since 1970, the net profit margin of the industry has averaged only I per cent of sales, according to Guiness Peat Aviation (GPA), the world's biggest aircraft lessing company. Even in gest arreaft-lessing company. Even in a good year like 1989, the net profit margin of sirlines was only 2.4 per cent. Of the \$4500n of new sirraft to be delivered during the next 10 years GPA expects the airlines to finance about 40 per cent of the total, or the equivalent of \$170bn. This would break down as follows: \$75bn from airline cash flow; \$85bn from new debt; \$100n from new equity. This still leaves \$2800n to be found at a time when banks have become far less enthusiastic about aircraft financing

because of the unprecedented crisis facing the industry. Mr Shrontz acknowledged that

credit had become tighter. But he believed financing would be available. "If the availability of finance did truly dry up it would be a problem," added Mr Philip Condit, the head of the \$3hr\$4hn Boeing 777 programme, the company's latest commercial aircraft launched last October, "But in the long term, aircraft have been good, high-value mobile assets."

However, manufacturers are being forced to to become increasingly involved in financing aircraft acquisitions. The state of the market will determine what role we will have in financing. But our object is to finance aircraft purchases, not airlines," Mr

The manufacturers' involvement has been a mixed blessing for the airlines, according to Prof Doganis. In the early 1980s slump, he says, the manufacturers pushed airlines to invest when they should have been holding back. The result was that by the early 1980s, many big airlines were heavily over-indebted.

A transatlantic trade dispute over

commercial aircraft subsidies has also been fuelled by the manufacturers' and expansion programmes. The fiveyear controversy appears to be reaching a head, as the US considers filing a second complaint in the General Agreemant on Tariffs and Trade (Gatt) against European government support for Airbus programmes.

Washington took the European consortium before the Gatt subsidies

committee earlier this year on the issue of Bonn's exchange rate support for Daimler-Benz, the German partner in Airbus. The Americans have charged that the German exchange rate scheme provided a \$2.5m subsidy for each Airbus produced last year. They now plan to file a broader com-plaint against direct development sub-

sides for Airbus programmes.

For the first time, Boeing is also adopting a more public stance in the acrimonlous subsidies dispute. Until now, McDonnell Douglas, the second-biggest US commercial aircraft maker, trailing behind Airbus, has been the most vocal critic of Euro-pean subsidies. Unlike Boeing, McDonnell has been more vulnerable to the Airbus challenge because of the to the Airbus challenge because of the limited range of its commercial aircraft family. Ironically, Airbus and McDonnell had at one stage discussed a partnership to definone Boeing, but the negotiations fell through.

Boeing has now decided to speak out about subsidies, "We kept a low profile while the US and EC governments warm trying to people the

ments were trying to resolve the issue, and we did not want to be con-sidered in the industry as a cry baby." Mr Shrontz said. Boeing has clearly become frustrated by the long and unsuccessful efforts between the US government and the European Comission to negotiate a compromise.
"We feel subsidies are no longer

necessary for Airbus. Enough is enough in our view," Mr Shrontz said. The Boeing chairman was especially concerned by increasing subsidies for Airbus sales in tha US. Airbus granted large loans to Northwest Air-lines and America West last year. Although Boeing also advanced finance to support purchases, Mr

own resources. In contrast, he alleged that a large amount of Airbus financing in the US was done with European government support; a charge vigorously rejected by the European

Mr Jean Pierson, the Airbus managing director, recently confirmed his ambition to see the European consorambition to see the European consortium capturing more than a third of the world commercial sircusit market during the next 20-year period when he expected a total of 12,300 aircraft worth \$680bn could be delivered. "Naturally, such figures have caused those who regret the good old days of the US monopoly of the industry to start levelling accusations and threats against Airbus," he said recently. He noted the accusations are coinciding "strangely enough" with the maiden flight in October of the new four engined A340 which had begun chipping away at Boeing's dominance in long-distance sirliners. "Over the horizon, by the year 2000 with the 700-seater-plus ultra-high-capacity aircraft that we are sindying presently, we will be taking them head-on in the market," he said.

Boeing is also studying the development of an even bigger 747 jumbo with 600-700 seats. But the immediate battle is over the market for the new singestim of \$20.00 east with-hodded

battle is over the market for the new generation of 250-390 seat wide-bodied airliners, pitching the Boeing 777 against the McDonnell Douglas MD-11 and the Airbus A330/A340. Boeing was the last of the big three manufactur ers to enter this market.

T've never been worried about com-

ing in later. It's more important to ge the product right. The first couple of years are not crucial," said Mr Condit, the 777 programme manager. Mr Shrontz acknowledged he would have liked to see more orders for the 777. So far, United Airlines and All Nippon Airways have placed a total of 49 firm orders for the new Boeing aircraft.

The heavy development costs of the

The heavy development costs of the 777 are currently having an impact on profitability. Boeing's research and development spending this year will total more than \$1.25bn largely because of the 777 programme and other commercial jet transport activities. But if we want to stay viable in the second half of the 1990s, we must this investment," Mr Shrontz

The 777 has now enabled Boeing to offer its customers a complete family of aircraft from 100 to 500 seats, the most comprehensive range of any of the big three manufacturers. It has also positioned the company in what Boeing expects to be one of the fast-est-growing segments of the market during the next 10-15 years, as airlines seek to replace their older DC10 and Lockheed L1011 jets and introduce bigger-capacity aircraft to beat the growing problems of congestion in the air and on the ground.

Competition is bound to become fiercer. The current financial prob-lems of airlines will inevitably lead to greater concentration, Mr Shrontz said; arguing that the industry would be better off with fewer but stronger airlines. This will increase the stakes in the commercial aircraft business. With fewer players in the market, each new aircraft deal will become even more important than before.

The combination of the Gulf war, recession and the decline in government defence spending has pro-foundly unsettled the entire aerospace industry. In Seattle, however, they are peering across the valley towards the sunlight on top of the Rocky Moun-tains. Every 10 years, the city has been hit hy a downturn in the industry. "It's a cyclical business and we have not repealed the cycle," Mr Shrontz said with a touch of fatalism. Even though the Boeing chairman is confident that the husiness will eventually recover, there is still an awful lot of dark cloud down in the valley. * Flying Off Course, The Economics of International Airlines, by Professor Rigas Doganis, published by Harper Collins Academic, £13.95.

Voyage of hope

■ HMS President – head-quarters ship of hundreds of potential anti-Soviet naval warriors who studied Russian in London during National in London during National Service years — seems an odd launching pad for a water-borne scheme to develop Moscow. But such is the aim of 50-year-old Ed Berman, a palfetyld accident

of So-year-on an entrapreneur.
The President, alongside the
Thames Embankment, holds
tha office of his Inter-Action company, an educational char-ity which introduces children to theatre, computers and much more. Now, however, be plans to voyage more widely albeit not with the charity's funds on board.

charity's funds on board.
With promises of money from some plutocratic
Americans and a credit-card group, not to mention cheers from a cintch of Harvard University professors, he intends to transform a ship docked on the Moscow River into an international business centre crum hotel cum educational cum hotel cum educational
institute. All fees for services
would be paid by credit card
in hard currency, off-shore.
He also aims to install world-

wide communications via the International Marine Satellite, Immarsat. And even the eight international circuits planned initially would markedly increase the number available in Moscow, which at present to other western countries. So although Berman himself

calls the project a "phantasy", the lure of sound, clear over-seas communications might be enough to set it affoat.

Disfranchised

Meanwhile, in Britain on a course, Russian journalist Tom Zaitsev was np at crack of dawn yesterday to cast his historic vote for his hero Yeltsin. Pressing the buzzer on the door of the London

OBSERVER examined via the intercom-"What do you want? "I have come to vote". "Sorry, but we live here under Soviet law, not Russian

How it's done ■ Up and coming property magnates should take a tip from Wolfgang Stolzenberg, the mystery man behind the rescue of the Imry property

law. Go away."

group. If you want to be taken seriously, pretend you're too grand to talk to the media by not turning up for the press conference, and preferably get into bed with a respectabl name like Barclays Bank. German-born Stolzenberg lives in London but was flying to Montreal yesterday to catch up with his business interests in Canada. He is chief executive of Castor Holdings, a privately-held mortgage finance company with assets

of C\$1.8bn, including properties in Toronto, Montreal, Ottawa, California and Florida. He also has a 25pc stake in Montreal-based Perkins Papers, once owned hy Britain'a Bowater group. In a deal reminiscent of the Imry buyout, Stolzenberg acquired his interest in Perkins by buying the shares of some of the five Perkins executives

who purchased the company from Bowater in 1983. For a man of property he is remarkably unknown. Let's hope Sir John Quinton, Barclays well connected measured the cut of his jib.

Black board

■ The appointment of Enos Mabuza and Dr Oscar Dhlomo, two of South Africa's more respected black politicians. to the board of Anglovaal is quite a coup for one of the



"Ian's a Brugeois."

country's smaller but more successful mining finance houses.
Mahuza was Chief Minister

of Kangwane homeland for thirteen years until resigning earlier this year while Dr Dhlomo was Chief Buthelezi's deputy in Kwazulu. The two men enjoy respect across the political spectrum which is something of an achievement, given that most homeland politicians are justifiably regarded as government

Both men stand a good chance of being in South Africa's first post-apartheid cabinet. Consequently, there is some surprise that they have chosen to align themselves so closely with big business, given that the ANC still has a suspicious "fat-cat" view of the business community. Angiovasi remains firmly controlled by members of the Hersov and Menell families.

With most businesses impaled on the dilemma of wanting to increase black representation without succumbing to tokenism. Angiovaal has been rather brave. Could the appointments have anything to do with Mrs Irene Menell, wife of deputy chairman Clive Menell, and an old ally of Mrs Helen Suzman, the civil rights campaigner?

Rubbished

■ Oh dear! New Yorkers' pride in breathtaking statistics has been rubbished by the aftermath of Monday's Manhattan ticker-tape parade. Police had it that the honouring of Gulf war troops drew 4.7m people, over half the city's population, and some 6.000 tons of ticker-tape showered down. tape showered down.

But the amount that actually hit the ground — according to the sanitation department which had the job of clearing it up - was just 87 tons. .

That makes the "mother of all parades" look like a mere kid's party beside the 1,262 tons reported for the 1981 welcome for US hostages back from Iran, or even the 648 tons which were reputedly dropped on the New York Mets as the beseball world champions five years ago.

The explanation for the huge

disparity is that previous figures were all estimates, whereas Monday's total came from a careful weighing of all the rubbish collected. Since the workers who cleaned up on Monday thought the mess was the biggest they had ever seen, the numbers from past parades must have been outrageous exaggerations. New Yorkers, in typical fashion, have already dubbed

the controversy "Tickergate".

Tell-tale

and the second of the control of the

Fund managers at GRE Asset Management claim to have a new technical indicator for the US market. As new issue prospectuses arrive at the office, they keep them in

The principle is that, if the pile gets so tall it falls over, the US market is overvalued... and the pile is looking pretty topheavy right now.



cial statistics are logar of scaling to catch are logar of scaling to catch are logar of scaling to catch are with the sapares seen in business are ress. The monthly Confederation of British Industry Trends Enquiry for May showed zero for the batasce of companies aging they expected to increase prices over the next four months compared with those expecting to reduce them. This was the lowest level reported for M years.

thems wife was the lowest level reported for 24 years.
The CBF has understandably been complaining that the official producer price index is mideading because if does not take fully into second the discounts which businesses are being forced to give. But now the official index is falling too. the official index is falling too.
The best indicator here is producer prices, excluding hold, drink and tobecco. The latter have been distorted by the over-indexation of duties in the last Budget. On this basis, the 12-months increase to May is dewn to 5.4 per cent at the is down to 5.4 per cent compared with 5.4 per cent at the peak at the beginning of 1991.

Although a legging indicator, the producer prices index is a better guide than tomorrow's eagerly awaited Retail. Price index. This is expected to fall from 8.4 per cent to less than 6 per cent on a 12-month comparison. But the headline RPI is so ensely districted that

comparison. But the headline HPI is so grossly distorted that it has given rise to a large number of competitive calculations of the underlying rate.

Another area where industry can legitimately complain of mideading official numbers is international competitiveness in March, officially estimated manufacturing earnings were 9 per cent higher than a year ago and productivity almost 2 per cent lower. The result was an estimated increase in unit wage costs of 11 per cent. More wage costs of 11 per cent. More up-to-date data will be published with today's unemployment figures, but they are still. likely to be an exaggeration on

likely to be an exaggeration on both fronts.

The CEI databank, by contrast, shows a marked fall in manufacturing pay settlements—from a peak of 9-per cent in the second quarter of 1990 to 8.1 per cent in the first quarter of this year and 6.8 per cent this April. Moreover, recent revisions to the data have been downwards, rather than upwards; and in current condition wage drift must be small.

N 45. 24

tion wage drift must be small.
On the productivity front
official figures normally show
a drop in a recession because
workers are not laid off as fast as output falls. But the rise in unemployment in the present recession has been so steep that there cannot have been much labour hoarding. The CBI expects productivity to

ECONOMIC VIEWPOINT

Myth of rising real interest rates

By Samuel Brittan

we look at its estimate of pro-ductivity in the last 12 months, this still shows growth of well

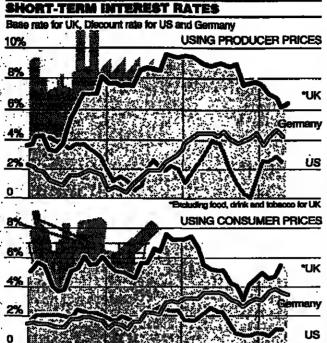
over 3 per cent.

On e. GBI: basis, then, the increase in UK labour costs is down to 3% per cent, which is within spitting distance of US and German estimates of 2 per cent. These dark also cast doubt on the claim of Karl Otto Pohl that European inflation differentials were likely to differentials were likely to

Lower inflation undoubtedly reduces the level of interest rates it is possible to have — just as fears of Labour devaluing are raising that level. But everywhere pressure groups are trying to bully governments and control banks into large and raid easing on the basis of sportous arguments. Short-term numinal rates are directly influenced by central banks. If they pursue inflationary monetary policies, any interest rate cuts will prove ephemeral and eventually go into reverse: But because into reverse. But because prices take years to respond fully to monetary policy, there is a transitional official infin-ence on short-term real rates. these rates are now? Some deservedly caustic comments are made by the general manager of the Bank for Interna-tional Settlements, Mr Alex-andre Lemfalussy, in the BIS annual report. In the first place, he argues, very little is

On a CBI basis, the rise in UK labour costs is within spitting distance of German rates

known about real interest rates. "As they are nominal interest rates less some com-pensation for the expected loss of purchasing power, we know only as much about real inter-est rates as a power about est rates as we know about inflation expectations, which rise by more than 5 per cent in means that we know very little the next 12 months. But even if . with any degree of precision."



The conventional way of cal-culating real short-term retes is to subtract from the threemonth interest rate the infla-tion rate over the last year. This can be only justified for want of anything better. Even then much depends on

which index of inflation is used. If you take the conventional calculation, in which the UK Retail Prices Index is subtracted from the interest rate, then, as the red-black anti-ERM coalition complains, real, base rates have risen from a low of just over 3 per cent last. low of just over 3 per cent last October to a high of over 5% per cent in April.

But this is a teenage absurdity which depends on taking at face value the headline RPI.

despite all the distortions, including the poll tax, the rise in oil prices and mortgage interest effects, which took it temporarily into double digits

subtract from base rates the increase in producer prices, excluding food, drink and tobacco. Estimated in that way, real as well as nominal interest rates have been com-ing down in the UK by about 3 percentage points from their

Central banks can neither determine real long-term interest rates, nor even nominal rates

1989-90 highs. An estimate based on producer prices also shows that the UK differential above Germany has narrowed. It is, moreover, not even clear that businesses respond exclusively to real interest rates. When nominal interest last autuum. rates were in double digits in A more realistic basis is to the mid-1970s, but real interest

rates were supposed to be negative, little consolation was derived from this fact. To take an example: suppose that real interest rates are zero but inflation and nominal interest rates are both 20 per cent. Then a 20 per cent charge paid in the first year of a loan represents in real terms accelerated repayments, rather than interest. But it still gives rise to a cash flow problem which many businesses find distorbing. The truth probably is that business responds to a mix of real and nominal interest rates, rather than one or the other alone.

Mr Lamfalussy's sceptical remarks about knowing what real interest rates are apply most fully to short-term rates, although the BIS general man-ager made them originally in relation to long-term rates where their applicability is more dubious. For he did not pay sufficient attention to what can be learned from the one leading country that has a substantial market in indexedlinked government bonds, namely the UK, where euch bonds, with a 10-year maturity, yield a little over 4 per cent. This is not a bad first approximation to long-term real inter-est retes, which, because of freedom of international capi-tal movement, cannot differ too much from one main western country to another. Mr. Lamfalussy's second

point is, however, pretty fool-proof. This is that central banks not only cannot influeanes not only cannot minerest rates directly. They cannot even detarmine nominal long-term rates. Central banks, of course, "exercise close control over a particular short-term interest rates in their own country. But the link with the long-term interest rates at the other end of the yield curve is not simply weak; it is even uncertain in its direc-tion". Reductions in short-term interest rates have often had a perverse effect in raising long-term yields, because they have worsened inflationary

Long-term real interest rates are, as their name suggests, not a monetary phenomenon; and depend both on savings rates and on private and official borrowing requirements. If there really is a world shortage of savings as the Americans (in common with the BIS and many others) argue, then one would expect real interest rates to rise rather than fall. The yield on British index gilts has already risen by one per-centage point over the last year. There is little that central bankers can do to stop this rise other than utter the ritual

BOOK REVIEW

Stars of Wall Street lose their shine

ne by painful one they have been tarnished or disgraced. History has not been kind to the aggressive new Wall Street stars of the 1980s' takeover boom, many of whom have since heen whom bave since been revealed as crooks, knaves, or simply mediocre opportunists, iucky to be in the right place at the right time.

However, there has been one outstanding exception to this verdict, and that is Kohlberg Kravis Roberts & Co, the firm which runs the world's largest pool of funds invested in leverpool of funds invested in leveraged buy-outs. LBOs involve the purchase of a company by a group of investors, including its managera, using large amounts of debt. The aim is to improve a company's efficiency and reduce the debt, leaving the equity investors to reap a large profit.

LBOs are hardly fashionable those days. For the worst deals

these days. For the worst deals of the 1980s so burdened com-panies with debt that many of them have since been forced into bankruptcy, and have left their bankere nursing large piles of non-performing loans. Yet KKR has ridden above the storm, its public image relatively unsullied.

True, last year it did suffer the embarrassment of having to recapitalise its largest and most controversial investment - RJR Nabisco - but the press portrayed this as cintching triumph from the jaws of disaster. And only this month, in the depths of recession, KKR put the finishing touches to a new \$1.5bn investment fund. Now, however, comes a book from Sarah Bartlett, a business journalist on the New York Times, which portrays KKR in a thoroughly unfavourable light. It is the talk of Wall Street, not least for its warts-and-all portraits of the firm's three founders and their even-tual falling out as the takeover

tual failing out as the takeover wave gathered momentum in the mid-1980s: Jerry Kohlberg, who can lay claim to have invented the leveraged buy-out, quit after disagreeing with his two younger partners, cousins Henry Kravis and George Roberts, over the direction the business was taking.

But amid her immensely But amid her immensely readable, and often scathing history of the men behind the KKR name, Bartlett makes THE MONEY MACHINE. How KKR manufactured power and profits By Sarah Bartlett Warner Books, \$24.95; 345 pages

some serious allegations. KKR she claims, engaged in ques-tionable behaviour during its transformation from a \$120,000 start-up investment house in 1976 to its position as one of the most powerful businesses in America. Most of this, she says, occured after the restraining hand of the quiet, correct Kohlberg disappeared. Bartlett is also highly critical of KKR's post-Kohlberg financial record. When it

financial record. When it turned its back on its conservative origins, she argues, it began buying companies with a recklessness which suggests that "its primary considerations were ego and immediate enrichment rather than the prudent long-term investment

of other people's money".

All this is powerfully controversial, but does it stack up?

Bartlett's account ralies heavily on two sources with axes to grind: Kohlberg him-self, who broke a three-year silence to give her his account of the break-up, and Kravis's embittered first wife, Hedi Moreover, the anthor's objec-tivity is thrown in doubt by

her ill-disguised distaste for Kravis, who is portrayed as an egotistical and hypocritical social climber. He may or may not be all these things, but such qualities do not necessarily impinge on his ability as a financier. Indeed, one might argue that they enhance it.

Some of the most interesting sections of the book concern KKR's origins – Kohlberg was experimenting with LBOs, which he called "bootstrage". as long ago as the early 1960s
- and the way the firm stole a
march on rival LBO fund-raisers by tapping into the buge investment pools run for the benefit of states' retired work-

Until the early 1980s these funds bad a reputation as extremely conservative invesboard the state of Oregon - a ploneer in the pensions field and many other states followed euit. Bartlett argues that

KKR's relations with the chairman of the Oregon fund was too close for ethical comfort, and she makes similar allegations over its ties with Drexel Burnham Lambert, the now bankrupt Wall Street bouse which paid \$650m to settla securities laws violations.

Most seriously, she suggests KKR may have short-changed some of its investors by buying back stakes in companies from them at low prices, shortly before the value of these investments rose sharply. She says KKR's reply is that its

says KKR's reply is that its investors are sophisticated institutions which had the opportunity to review each deal thoroughly.

Yet on none of these issues does she provide any clear evidence of wrongdoing, and she acknowledges in the book that it would be difficult to prove anything in court. One is left with a sense of some very sharp practices, but in the Wall Street of the 1980s that was hardly unusual. hardly unusual.

A more fundamental issue is

the management methods KKR employs to improve companies' profits, and just how good its profis, and just now good its investment record has been. Unfortunately, Bartlett does not delve particularly deeply or consistently into these matters. She does quote figures which suggest KKR's investment record is in fact no better than

rival LBO investment funds, while the fees it charges are much higher, and she does point out that some of its investments in the late 1980s went seriously wrong. However, KKR'e returns to inves-tors have still been extremely handsome, and Bartlett's selectivity in focusing on its bad deals — such as the buy-out of Jim Walter, a construction materials company with asbestos liabilities — without also prayring successful once. examining successful ones -such as Safeway, the stores

group - raises further ques-tions about her objectivity.

The KKR story certainly required examining, and Bart-lett's account is entertaining and iconoclastic, throwing light into some rather murky areas. But it will take a more rigorous author to give a thorough evaluation of its business

Martin Dickson

Using landfill gas for power

From N G Troman.
Sir, Your report, "Largest landfill gas power plant opens" (June 6), suggests the UK can take pride in being being the largest user of landfill gas for

power generation. The reality is somewhat different. In terms of the green-house effect methane is 15 times more detrimental than carbon dioxide. Methane emis-sions from waste dumps can last 50 years or more and only about one third is thought to be recoverable for use as fuel.

How much better it would be for our environment to adopt spreading practice found elsewhere within the European Community and incinerate rather than landfill refuse releasing only the less harmful carbon diorde. Apart from displacement one care of cool for placing one tonne of coal for every four tonnes of refuse burnt for power generation. this process provides scope for recycling materials.

The problem is that incinera-tion requires commitment and substantial capital investment, while landfill is cheaper — but at what cost to the environ-

Aston Rowant, Oxford

N G Trotman.

Aero-engines on their metal

From Dr R C Whelan. Sir, Plastic aero-engines? Not

Many of your readers, particularly those taxing to take off for the Paris Airshow, will have been startled by the disgram in the aerospece supplement on June 11 which implied that a high proportion of seroengines are largely made of plastic. Let us hope the cabin crew were able to re-assure them that this must have been

> Wa write to complete the process. CEST's original diagram shows, of course, that high performance metals nickel titanium and steel still provide the key compo-nents. CEST believes that these materials represent an important opportunity for UK

A Tory riposte to the Labour arguments for a minimum wage policy

From Mr Michael Howard.
Sir, Tony Blair's letter (June
12) on Labour policy is disingenous in the extreme.

His attempt to defend Labour's proposal to transfer jurisdiction over the unions jurisdiction over the unions from the ordinary courts to a new special court did not mention the reason for this, which was cited in Labour's policy document last year. "a sense of fairness should indue not just the legislation but those who administer it". That challenge to the importability of the indito the impartiality of the judi-

ciary can only mean that Labour intends its new court to be more lendent towards law-breaking unions.

Tony Blair also claimed that his new court would have the full power to fine those in contempt of court and to ensure the fines are paid". That is quite untrue. Far from retainquite untrue. Far from retaining the "full power to fine" unions, the courts, Opportunity Britain makes clear, would be bound by "legislation [which] will prevent the total sequestration of a union's income and assets".

On the minimum wage, Mr. Blair alleged that "the most recent study by the Organisation for Economic Co-operation and Development into France.

and Development into France found no employment impact through introducing a mini-mum wage. That is also

The OECD's 1990-91 report on France, published sarlier this week, says: "Indications are that the increase in the rel-ative value of the SMIC [the national minimum wage] in the 1980s is likely to have reduced employment levels, especially for youths and the unskilled."

It notes that "unemployment is particularly prevalent among workers earning at or near the level of the minimum wage". The conclusion of the wage. The concussion of the OECD report says that the high pay level for the least qualified "has been costly in terms of diminished employment, file national minimum wage seems in part to be responsible for this outcome." The explicit recommendation of the OECD is that low pay

R C Whelen, of the OECD is that low pay chief executive, should be tackled through caute for Explosication of Science and Technology, wages – which is precisely the policy this government has

adopted with family credit, and the approach which the Labour party denounces.

Finally, I must also correct
Mr Blair's remarks denying that Labour policy is to raise the minimum wage to two-thirds of male earnings, and claiming the support of the National Institute for his view

that the impact of a minimum wage would be "negligible". Opportunity Britain is quite specific. It says: "Over time, we will increase the minimum wage as a proportion of earn-ings to a point where no one is paid less than two thirds of the male median hourly rate." And the National Institute

concluded in its Review (4/90) that the introduction of a national minimum wage – even at only half the level of average earnings – would, over five years, destroy 166,000 jobs, lower output by 0.8 per cent and raise prices by more

cent and raise prices by more than 3 per cent.

Mr Blair may believe that such an impact — which is at the lowest end of the consensus of independent experts — would be "negligible". Few others would Indeed, the socialist Fabian Society, affiliated to the Labour party, has backed estimates showing that up to 880,000 jobs could be destroyed by the minimum wage, Labour by the minimum wage. Labour MP Frank Field has warned that the employment conse-quences would be "disastrous". And Goldman Sachs has concluded that "the national minimum wage can be expected to raise both inflation and unem-

I have challenged Mr Blair to produce and justify his own estimates for the number of jobs which would be destroyed by the introduction of a minimum wage. If he is unable or unwilling to do so, I hope he will follow your advice and drop his commitment to this about and damaging policy. Michael Howard,

secretary of state for employment, Department of Employment, Tothill Street SWI

Manufacturers and the parasites

From Professor D Sherrington.
Sir, The Personal View expressed by Sir Douglas Hague ("German is not the model: it's the odd man out", June 5) is typical of the dangerous policies which can emerge from an analysis of poorly based statistical information, while ignoring the obvious and common sense.
Sir Dongias correlates fig-

Sir Donglas correlates fig-ures such as the percentage of the labour force in manufacturing with the percentage of gross domestic product (GDP) for various countries, and together with other statistical evidence suggests that the UK would be unwise to follow the

In reality, of course, manufacturing (including agriculture and food, energy provision and natural resource exploita-tion) provides 100 per cent of GDP. All other activities political, financial, legal, health and education - are

essentially parasitic
The truth of this is demon-The truth of this is demonstrable by imagining the situa-tion which would prevail if manufacturing were to decline to a level where the UK could not be regarded as a manufac-turing-based society. The City would inevitably decline, and would all be free to offer services to each other. services to each other.

I have no doubt at all that the strongest economies in future will be firmly based on manufacturing, and the prospects for the UK are grim if we listen to those who present contrary arguments based upon ill-found figures. D C Sherrington, department of pure and applied

Nothing dull in

chemistry, Strathchyde University,

Yorkshire From Baroness Denton of Sir, I was sorry that Observer found the title of Wakefield dull – not a descrip-

tion I'd give any part of York-shire. However, had I known the events of the week I may well have chosen Headingley.

THE PERSON NAMED IN QUE NATIONALE DE PARIS CREDIT SUISSE LLOYDS BANK MANUFACTURERS HANOVER TRUST MIDLAND BANK



NOW APPEARING ON A SCREEN NEAR YOU.



QUOTRON F/X TRADER...

It started slowly. One screen, then two, then twenty, then thirty. Today we're showing on the screens of more than 120 trading floors worldwide. And next month, we'll have even more. And the month after that....

The point is this: nothing, not even an entrenched competitor, can impede progress. Quotron F/X Trader is a system designed for traders, by traders. A system that is

the culmination of extensive research and development. A system dedicated to achieving a sharply defined objective: to outperform all existing foreign exchange dealing systems.

Join the rapidly multiplying ranks of traders demanding a better trading alternative. To bring Quotron F/X Trader to your screen, dial the Quotron office

Quotron F/X Trader™

London: 071-438-0455 • New York: 212-898-7700 • Tokyo: 03-5566-6696 • Frankfurt: 49-69-756-0000 • Toronto: 416-947-5646 Zurich: 41-I-363-8300 • Hong Kong: 852-844-6539 • Paris: 33-I-42-82-9141 • Singapore: 65-290-0424 • Geneva: 41-22-28-7525

FINANCIAL TIMES

Thursday June 13 1991

Balfour Beatty

Engineering at its best

Giant solar flare may affect telecomunications and broadcasting

Earth faces severe geomagnetic storm

By Clive Cookson in London

THE EARTH was last night facing a severe geomagnetic storm which could disrupt global communications, damage electrical equipment and give a spectacular night-time display of the aurora borealis, the northern lights.

The source of trouble is a

giant solar flare, one of the most intense ever recorded, which eropted from the surface of the sun late on Monday and shot a beam of high-energy particles and radiation into

These were expected to reach the earth two to three days later and disturb its magnetic field.

Computer and communications links in financial centres

Cresson set

to confront

public and

parliament

By Ian Davidson in Paris

MRS EDITH CRESSON, the French prime minister, is fac-

ing her first serious political difficulties since taking office

Street demonetratione in Paris - made worse by an intensification of the recent

violence in the capital'e sub-

urbs - and a censure motion threatened in parliament have

brought an abrupt end to Mrs resson'e boneymoon period. Both the political and civil

protests have arisen over government measures to control

announced an increase in wage earners' health insurance

wage-earners health insurance contributions, from 5.9 per cent of salary to 6.8 per cent, to help close the growing deficit in the national health fund, in spite of partial strikes and large-scale street protests by health workers in anticipation of the

On Tuesday, the government faced the combined opposition

of the conservative parties and

the Communists, when it pro-posed in parliament a PFr16bn (\$2.7bn) budgst-tightening

plan.
The revenue raising mea-

budget deficit within the

planned limit of FFr80bn for

1991, in spite of the recession, which has reduced tax reve-

nues and increased spending oo unemployment and social

security support.

Although the Communists expressed initial support for Mrs Cresson – whose reputation is more leftwing than that

of her predecessor, Mr Michel Rocard – they have refused to vote for the new budget pack-

This means that Mrs Cresson

must stake her government's existence on the budget measure, and the conservatives

have duly promised to propose a censure motion on Monday. The social security increase

was seen as unavoidable as the

growing deficit in the medical

FFr23hn this year.

parliamentary vote.

insurance fund is likely to total

It is also symptomatic of the government's lack of a parlia-

mentary majority, being a tra-ditional increase in wage-earn-ers' contributions, which can

be introduced by decree, rather

than an increase In the new Generalised Social Security

Contribution, which is more egalitarian but is subject to a

In addition, the new social affairs minister, Mr Jean-Louis

Bianco, aims to introduce

restraints on health spending. This would be achieved

through negotiations with health workers, but he clearly

does not agree with the free epending premises in the French system, and be will

almost inevitably come into conflict with the health unions.

"We are in a system of irre-sponsibility." he told the Fig-aro, the daily newspaper, this

"The sick person consults

whom he wants when he wants, the doctor prescribes without reetraint, and the

The government yesterday

public spending.

could be disrupted over the next 24 to 36 hours. The US Space Sciences Environment Centre in Colorado, run jointly by the US Air Force and the National Oceanic and Atmospheric Administration, issued the geomagnetic storm warning yesterday. It was repeated by the British Geolog-

ical Survey in Edioburgh. Mr William Stuart of the BGS said the storm could be as BGS said the storm could be as intense as the one in March 1989. The magnetic surge then caused the Hydro Quebec grid, one of North America'e main electricity distribution systems, to collapse; 3m consumers were blacked out for up

At the same time, people as

far south as the tropics saw flickering curtains of light in the night sky - the aurora

State of the weather. Satellite observations showed Monday's solar flare pointing towards the earth but the solar particles do not travel in a solar particles do not travel in a solar particles do not travel in a solar particles. cles do not travel in a straight line; their spiral path, follow-ing the sun'e magnetic field, makes it impossible to calcu-late their effects in advance. In June 1989 the BGS forecast a magnetic storm which never

The sun has been in a very active mood for the last week, ejecting a series of flares which culminated in Monday's giant

eruption. These disturbances have already disrupted shortwave radio broadcasts. Mr Kelth Gough, an engineer

at the BBC monitoring centre in Caversham near London, said it had become much more difficult over the last few days to listen to broadcasts from the

US and the Soviet Union. Another effect is that the magnetic north pole has been wandering from its usual position by two to three degrees. Mr Stuart said oil exploration companies, which use delicate magnetic instruments, had been forced to suspend work

off the coast of Scotland.

If an intense magnetic storm arrives as predicted, compasses could be thrown out of align-

ment by as much as 10 degrees - a serious hazard for ship ping using magnetic naviga tional systems.

Ships using old-fashioned high frequency radio communi-cations would also find them-

Modern satellite communica tions, using spacecraft in per-manent orbit 36,000km above the earth, are less vulnerable to geomagnetic disruption. The intelsat system, used for inter-continantal telephone calls, suffered little in the March 1989 storm.

Even so, there is a risk that a satellite could suddenly fail under the bombardment of intense solar radiation.

foreign takeovers

applied in cases raising other competition issues.

speech on competition policy in London, Mr Lilley said the change in approach had been prompted by the decisions of he Monopolies and Mergers Commission in the five cases referred under the policy since of the five cases were cleared by the MMC.

erable importance to the use of precedents set by the MMC. It followed from this that he would take account of MMC ralings in deciding whether to

company involved; market share; the likelihood of the merged entity exercising influence in the particular market; and evidence of anti-competitive behaviour elsewhere.

nationalisation, national champions and state aids to industry, and confirmed its commitment to promoting pri-vate ownership, enterprise and competition. It also wanted to stamp ont cartels and other price fixing agreements.

committed to the principle of one stop merger control set out in the European Merger

Tebbit doctrine returns, Page 7 Editorial comment, Page 16

Continued from Page 1 that both the US and Japan needed to do more to correct economic imbalances between them in order to stem growing dissatisfaction in both countries. He said it would be a "tragedy" if economic tensions harmed ties.

Meanwhile, a private think-

The study by the Fair Trade Centre, entitled Report on Unfair Trade Policles and unilateralism".

government's approach to UK acquisitions by foreign statecontrolled companies was outlined yesterday by Mr Peter Lilley, UK trade and industry

Giving his first major

of distorting markets depended on the degree of state control; the size of the

"I am therefore less likely to refer cases where these factors are small. But I remain com-

are stated to the policy announced last July," he said.

In a wide ranging speech, Mr Lilley reiterated the government's opposition to

At an earlier press conference, Mr Lilley refused to be drawn on the government'e attitude to any bid by Hauson for ICL But he said it was

Regulation.
Ms Marjorie Mowlam, the of abdicating responsibility on

Japan trade surplus

Practices, expresses concern about "the movement of US trade policy away from multi-lateralism and towards

Shift in UK policy on

A CHANGE in the British

secretary, writes Robert Rice.
In spite of reiterating his
commitment to his policy for
preventing "nationalisation by
the back door", he indicated
that in future it would only be

He said he attached considrefer any future cases.

It was clear that the danger

ing the gloomy outlook for its main businesses at the moment P&O ought to derive some satisfaction from casting

UK Labour party's city and corporate affairs epokeswoman, said the speech was a "green light for Hanson to bid for ICL," and accused Mr Lilley

tank issued a report accusing the US, the BC and Canada of condoning "unfair" trade prac-tices in their own countries.

Racal's electronic calculator

FT-SE Index: 2,520.2 (-22.4) surrounding its demerger plans now over, the stock mar-ket can no longer shirk the challenge of placing a value on the residual businesses after Racal Telecom

Racal Electronics has spun off its telecommunications stake. Yesterday's price movements suggest it is still driven more by sentiment than by logic. Applying the demerger con-ditions to the closing prices of Racal Telecom and Racal Electronics leaves a market value for the residual business of just 60 a share, or barely a seventh of book net asset value. Either investors have got

Oct 25'88 89

their calculations badly wrong

or they are expressing a resounding lack of confidence in Sir Ernest Harrison's ability

to run the rump activities without the prop of the Telecom cash. Admittedly, he has falled to deliver both the promised disposal of Chubb and the

management buyout of the rest of Racal Electronics. The pros-pects for defence-related busi-

ness are not bright, but the outlook elsewhere is improv-

ing. Though investors have some right to be disappointed

by the unexpected news of a share placement to cover the

costs of the demerger, this will only involve minimal dilution,

and debt will he reduced to

Another possibility is that the market has over-valued Racal Telecom. The latest 42

per cent jump to 16.85p in earnings per share is unlikely to be repeated in 1991-92. Yet the chares should be supported to some extent by the possibility of a bid. With a market capitalisation, approaching, 64hr.

isation approaching £4bn Racal Telecom would be big for

a predator to swallow. But the

heightened liquidity in its shares as the demerger goes through will make it vulnera-ble for a while.

Pass the port. Notwithstand-

off the Felixstowe Dock and

Railway company.

The £80m price tag looks respectable enough for an oper-

ation which has had a rough competitive passage since the

abolition of the dock labour

scheme in April 1989, and

which is unlikely to do better

The proceeds, as well as the

£50m of borrowings which Hutchison Whampoa will now assume, provide welcome relief for P&O's balance sheet, while

the deal demonstrates that

than break even this year.

P&O/Hutchison

Lord Sterling is prepared to sell non-core activities where the circumstances are right.
Whether the valuation put on Felixstowe throws any light on other UK ports is another matter. Associated British Ports added 4p to 289p in a weak market yesterday, and no doubt those hoping to advise

doubt those hoping to advise the government on the privatisation of the trust ports will be taking note.

Felinstowe, though, is probably a one-off. Hutchison has long been known to be anxious to diversify beyond its Hong Kong base, and its latest acquisition looks like providing the hub for further developments in Europe. The main interest for the shares at the moment is the rumoured transfer of its domicile to Bermnda. domicile to Bermada.

The colony has proved remarkably resilient to bad news in recent weeks but, if confirmed, the defection of a friend of the mainland like Mr Li Ka-shing would represent another test of the market's underlying strength.

Devenish

Two days before the conclusion of Boddington's bid for Devenish, the outcome rests with the swing vote of about 10 fund managers. It might as usefully be determined by tossing a coin. Neither side has decisively

established its case. Bodding-ton's only hope of benefit is to get Devenish's pubs for less than they are worth. Devenish argues, naturally enough, that this is just what is happening But as BZW points out, the asking price of UK pubs fell by 8 per cent in the first quarter of this year alone. In the licensed trade's present state of upheaval, the realisable value of pub estates is as uncertain as the profits they can gener-

The only rational basis for decision is what would happen to Devenish's shares were the bid to fail. This is scarcely easier to call. The immediate result would doubtless be a drow therefore. drop; thereafter, 210p gives a not untypical multiple for postible profits next year after the brewery closure.

brewery closure.

Perhaps the fund managers should fall back on the simple calculation that before the bid came along. Devenish had underperformed the market by some 20 per cent over a decade. If they cannot do better than that with Boddington's money, they ought not to be in business.

Berisford

Berisford's management has all but pulled off a rare recov-ery from the brink of bankruptcy. Forty disposals later there is little left of the origi nal company: without British Sugar, the treatment would surely have killed the patient. With luck and a little more time from its banks, Berisford

may succeed in eliminating its debt and even in building mod-est cash balances. While the management wonders what to do now, the quesders what to do now, the quastion is whether these corporate escapologists will prove as competent in normal circumstances as they have in crisis. They have pienty of experience and the cycle is in favour of companies wanting to bny

assets on the cheap. But Berisford is not ready to elaborate a strategy, so there is no rush to buy its shares. A sanitised balance sheet and \$600m of available US tax losses might make it suffi-ciently attractive as a shell to tease out an agreed reverse takeover or merger into a new core lusiness. Although it is generating a little cash, the company will not pay a dividend for a whils yet. The chares at the house more than shares at 39p have more than doubled since the start of the year, but the 20 per cent discount to asset value is justi

UK trade

The UK balance of payments data for the first quarter is truly baffling.

Just when the seemed to have refined its technique for forecasting invisibles, a sharp downward revision suggests that the current account deficit is twice as bad as originally thought. It is just as well that the market no longer takes the figures careful. ger takes the figures seriously.

- ADVERTISEMENT -

NEWS REVIEW

BUSINESS

New generation submarine sonar

Rerranti-Thomson Sonar Systems of Cheadle Heath, Stockport, has been swarded a Ministry of Defence contract for the competitive Project Definition phase of Sonar 2076 — a new generation integrated sonar system for Royal Navy submarines.

The contract involves the preparation of detailed reports covering all aspects of the sonar suite, demonstrations of key risk areas, design specifications and proposals for full development and initial production.

Future sonar systems are expected to become increasingly complex as improved signal processing techniques make it possible to increase information obtainment.

Key areas of technology Ferranti-Thomson will be looking at include data handling and the use of knowledge-based systems to assist in the interpretation of the information.

Vector 2000 at **Paris Airshow**

At the Paris Air Show which opens today, Ferranti International endorses its entry into the commercial aviation flight simulation market with the launch of the commercial aviation of the commercial aviation of the commercial aviation flight simulation market with the launch of the commercial aviation of the commercia market with the launch of Vector 2000. Based around a modular design concept in both hardware and software, the Rerranti Vector 2000 series is intended to set new standards in cost/performance for flight training simulators.

£17m trainer upgrade

Retranti International has been awarded a £17m major enhancements of the major enhancements of the radar, sonar and weapon development of the Royal Navy's Combined Tactical Trainar (CTT) complex at the RN School of Maritime Operations, HMS Dryad in Hampshire.

The CTT complex incorporates an accurate simulation of the combat information/operations rooms of each of the six different classes of front-line warships currently in service with the Royal Navy.

Its purpose is to provide a comprehensive training rapability. This extends from individual operator tasks—interpreting sonar and radar returns—to entire command team training, exercising single or combined naval units within a realistic combat simulation.

Periodic reviews of the facilities are necessary to ensure that the complex faithfully represents the operational equipment fitted to RN ships.

Egyptian data links

Ferranti International, Naval
Systems, Bracknell has secured contracts worth over f2.7m from the Egyptian Navy to aupply military data link communications equipment for installation in submarines and ships.

The contracts cover six Link Y installations, two destined for integration within the combat command systems of the Descuberta frigates as part of a modernisation programme and four for the Romeo class submarines which are currently being refitted for the Egyptian Navy by the Tacoma Boat communications.





after being run down by a stolen car, and in a separate inci-dent police shot dead a young WORLDWIDE WEATHER

out the country.
"My dilemma at present is whether to rule by decree above the law or within the limits of the law," he said at bealth insurance eystem pays for it without limit. That does not happen anywhere else..." The renewed violencs reached e peak at the weekend his official residence. Mr Walesa added: "I am with a confrontation in Mantes-la-Jolie, west of Paris. A young policewoman died fending off any thought of doing anything anti-demo-cratic. But people like those in the Gdansk shipyard are the Gdansk shipyard are urging me to take control. I shall be decisive if we begin to

get into anarchy. I ehall use all the powers and means at my disposal to block anything which threatens Poland."
Mr Walesa also told Solidarity leaders he was taking steps to reunite the divided Solidar-

Walesa willing to adopt force

to prevent anarchy in Poland

A mushroom cloud of ash and steam from Mount Pinatubo hovers over Clark US air base

in the northern Philippines yesterday after a series of huge explosions forced the closure of America's biggest air base in Asia. More than

By Christopher Bobinski in Warsaw

MR LECH WALESA, the Polish president, is ready to "use all the powers and means" at his

disposal, including the use of force or ruling by decree, to prevent anarchy in Poland, he

"I shall do everything to pre-serve democracy but if I am forced to, I shall reach for other means," he told a meet-

ing of 12 Solidarity trade union leaders.

Mr Walesa'e remarks came against a background of grow-ing labour unrest, calls from some supporters for a change in the government's anti-infla-

tionary policy, and concern about Solidarity'e showing in

The Solidarity branch in ths

Krakow region yesterday held a one-hour protest strike. Six

other regions are on strike alert and there are small-scale

industrial stoppages through-

the elections.

to reunize the divided Solidar-ity camp before elections expected in October. The Solidarity group, led by Mr Marian Krzaklewski, Mr Walesa's successor at the head of tha 2.7m-strong union, had come to Mr Walesa to ask for support in their talks with the government due to take place next Saturday. Mr Bogdan Borusewicz, the

union's deputy leader, and a colleague of Mr Walesa's from Gdansk, said: "The situation is serious and I fear that Solidarity may lose control over its Solidarity is demanding pay

increases to compensate for the effects of recent energy price rises, a gradual easing of wage controls, and a crack-

down on corruption. Yesterday, Mr Walesa called on Mr Henryk Majewski, the interior minister, to set up a special "economic police" to combat corruption.

He told Solidarity that if the need arose there should be trithat something was being

1,000 personnel were evacuated to Subic Bay naval base . A further, third, eruption followed

pushing ash 26,000 metres into the air, according to scientists. Mt Pinatubo had been dormant for six centuries. Full report, Page 4

Mr Walesa also wondered aloud whether the switch to a free market economy could be accomplished within a demo-cratic framework. "Help me so that I won't have to set brother

against brother on the streets," he appealed. However, Mr Walesa backed the government's economic policies and argued against cabinet changes before the elections. Earlier this week, there were calls for the demo-tion of Mr Leszek Balcerowicz,

the deputy premier.

The World Bank has approved four loans for Poland worth \$680m, signalling that the country's transformation programme is well designed and is being effectively pur-sued," Mr Ian Hume, the bank's representative said yes-terday, our Warsaw correspon-dent adds.

dent adds.

The four programmes which have now been approved by the Bank involve \$100m for agricultural development, \$100m for job creation, \$200m for changes in the banking sector, and \$220m for privatisation and restructuring. The loans are to be repaid over 17 years with a five-year grace period at with a five-year grace period at the Bank's standard variable interest rate.



FINANCIAL TIMES COMPANIES & MARKETS

Thursday June 13 1991



GE raises stake in in Tungsram to 75%

General Electric of the US has lifted its share in Tungaran, the Hungarian lamp making company, to more than 75 per cent. The purchase, from the state owned Hungarian Credit Bank for an endiscided sum, is to be followed by a FS.5on (\$47m) capital injection to help fund an investment programme in Tungaram. Page 21

Hero Turties to the rescue!



, ,

The Appendix

4 T. ;; 12.20

A Shirt يو هيون د

2 22-6 1 2 2 22 2 3 22

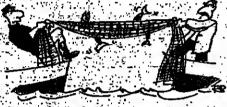
24 8 pt 2

in the state

31.

Strong sales of Teenage Mutant Hero Turtle products helped soften the impact of the recession Impact of the recession on diversified printing and packaging group. John Waddington, either pre-tax profit fell expercent, Headed by Victor Watson (left), Waddington has cut costs, reduced two factories and cacterolog subsidiariles.

Fishing atorm brews off Ireland



Irish and Spanish fishing boats are involved in an increasingly bitter battle off southwest ireland for some of the most valuable fish resources in the EC. In the past year at least four Irish boats have been ranned by Spanish boats and intimidation is rile. Spain, with about 50 per cent of the EC fishing fleet, has the most fishing boats in the Community. By contrast, Ireland's fleet is small and outdated. Kieran Cooke reports. Page 27 Cooke reports. Page 27

Regalian builds up a war chest



Regalian Properties is seaking to establish a war chest to take advantage of opportunities it expects to arise from the current recession. The UK realdential and commercial developer has arrecurred in rights because to reight (MSSm) and said

issue to raise more than \$20m (\$33m) and said that once property prices improved it expected a range of investment opportunities to arise.

Hambros, the Lik merchant banking and finen-cial services group, yesterday reported in 7 per cent rise in annual pre-tax profits to 259.4m (\$133m). Banking profits rose to 259.2m and tetall financial services, which consist mainly of Hambro Countrywide, the group's estate down from a loss of £9.2m the previous year. Page 24

Petersville to raise A\$150m Cetersville Steigh, the Adelaide Steamship group associate, has told shareholders it plans

to raise A\$150m (US\$112.8m) from asset sales to reduce its A\$540m in borrowings. At the top of the list of likely disposals are US-based AAM, which holds the assets of the failed Cali-formian department store, Buffums, and East-

	Ohne le	nding rate) 36 L	onden trad	ed optio
ı	Spouter	adi Govt	builds	22 · L	onder trad	A option
	FF-A In	Scene .		_ 23 N	lanaged tu	nd servi
	fil bet b	ond syce	P 20 10 1	- 22 4	longy start	cots ·
		d deforms		. 35 N	less int bor	d issues
		exchange		. 36 Y	tada coma	notify n
		recent is			forfd stock	
		Simo se			K dividend	
	7	7.7	17.			

24 IBM BODP
Bank of Yokohama
Bristol Evening Poet
Galdwell lives.
Cannon Stret invest
Cape
Cater Allen
Citicarp
Mail & General Tst
Degsauit
Bryser

28 Intercare
29 Manufed Scrowery
29 Montedians
Citicarp
Montedians
21 NedCoyd
Nearonics Tech
Bryser
22 Nedfood Int'l
Bryser
23 Nedfood Int'l
Bryser
24 Porter Chardeure Elect Leisure
Electric General Electric
Globe Inv Tet
Groupe Bull

Chief price changes yesterday Auto Sect. 785 + 9 BC 77
Helist Zon 5149 + 17 Gament 8
All Ind A Sin. 27 - 10 Aurol Sal. 10
Galack Vant (120 - 35 Chappen 7
BLN 802 - 9 Fone Lyon
Section (150 - 150 Section 7
BLN 803 - 12 Secret
TOLIVO (You)

Toesday from Electronic Data Services (EDS) of the US which

raised its cash offer for SD-Scicon's convertible preference shares from 85p to 102p. This was

SD-Scicon alters takeover defence

battle. Competitors in the UK and Europe which see EDS's con-

Services (EDS) of the US which values the company at \$116m.

SD Scicon rejected the bid immediately.

The EDS offer, equivalent to themselves and to their ambitions for growth through acquisition, are expected to respond quickly.

EDS with revenues last year of almost \$6bn, is already the world's largest pure computing services group. Its aggressive growth threatens even computer growth threatens even computer giants such as International Busi-ness Machines. It also has a significant share

SD-SCICON, the troubled UK computing services company factoring a hostile bid from Cray Electronics, has changed its defensive strategy abruptly and is now seeking the protection of a company of SD-Scicon's size and "white knight" rather than continuing to fight for its independence.

This follows a counter offer on Treeder from Electronics Than Strategy from Electronics and the title Compatitive in the UK subsidiary, and its UK subsidiary, those dimension of the takeover the Electronics. Thomson, the French electronics

Ownership of SD-Scicon'e French subsidiary would give a successful bidder a strong stake in the French market, which is

hard to penetrate.

Meanwhile, Prudential Portfolio Managers, the UK investment managers which owns more than 7 per cent of SD-Scicon, said: "Wa do not believe either of the offers reflect the full value of the company and we do not intend to accept them."

Racal reveals Vodafone demerger details

O. THE FINANCIAL TIMES LIMITED 1991

RACAL Electronics yesterday revealed details of the long-awaited plan to demerge Racal Telecom, its subsidiary which operates the Vodafone cellular network, but scrapped plans for a management buy-out of the remaining businesses.

Sir Ernest Harrison, the Racal Electronics chairman, also postponed a decision on whether to float Racal Chubb, the security company, until it reviews its performance at the end of the current financial year in March 1992. The demerger will involve tax-free distribution of Racal Electronics have been described in Racal Telecom, its authorized plan to demerge Racal in March 1992. The demerger will involve tax-free distribution of Racal Electronics chairman, also postponed a decision on whether to float Racal Chubb, the security

dend payment to Electronics shareholders of 5p, worth £40m (\$68m) to the parent company. Racal Electronics will also make a placement of about 17m shares, worth about £40m, to cover the costs of the demerger and to pay loan stock holders who choose to cash in their share of a £70m convertible issue. Sir Ernest said that, after rep-

resentation from shareholders, he scrapped plans announced last com would make a one-off divi-November to lead a management buy-ont of the "rump" of Racal Electronics because of their fears that Sir Ernest would face a con-

flict of interest.

Sir Ernest announced an 11 per cent rise to £223m in pre-tax profits at Racal Electronics, and a 48 per cent increase to £245m in profits at Racal Telecom.

Racal Electronics's non-cellular debt will be cut from the 1990 year-end level of £362m to about £250m by the £40m special Tele-com dividend, and the conversion of the loan stock. Net assets of the slimmed-down group will be £800m and brokers expect it to be making profits of £35-£40m. The demerger means Racal Electronics shareholders will

Racal Electronics will have to subscribe to newly issued Racal Telecom shares to bring its holding up to the 80 per cent level required in the US. This would be funded out of the £40m place-

Racal Telecom closed up 1p at 391p and Racal Electronics closed

Hutchison may seek further projects after £90m deal • UK docks weigh the implications of foreign takeover

Li Ka-shing puts into port in Europe

By John Elliott in Hong Kong

R LI KA-SHING, head of Hutchison Whampos which has bought Britain's biggest container port at Felixstowe, began his Hong Kong career making plastic flowers in the back streets. The column of the col ers in the back streets. The cor-emy's leading entrepreneur — 63 today — having arrived penni-less from southern China half a century ago, has an estimated personal wealth of more than USEthn.

Within the past few months he has also launched a Hong Kongbased Asia-wide regional satellite television service; bought a large stake in a HK37bn (\$903m) Hong Kong container terminal project; won a contract to estab-lish a container port in Ho Chi Minh City in Victnam; led a consortians which has won a new Hong Kong commercial radio licence; and increased cellular and paging telephone interests in the UK and Thailand.

There are further davelop-ments in the UK on telecommumications; where we have established a significant presence, and we see looking for more conwe are spoking for more con-tainer part projects," said Mr Simon Murray, managing direc-tor of Hutchison Whampon, Mr Id's main ports to property and telecommunications company. our hest businesses and we really understand it."

Mr Li decided in the late 1980s to concentrate his takeovers oversees. This was done to diver-sify geographically, to insure against problems caused by Hone Kannes vature to China Hong Kong's return to Chinese sovereignty in 1997, and because, in the container port sector, no further developments were

Hutchison founded and has a 60 per cent controlling stake in Hongkong International Terminals (HIT), one of the world's largest private sector operators which handled half the port's 3.8m 20 ft equivalent units throughput last year. It has some HK\$10bn invested in three terminals and the HK\$7bn terminal is to be built soon.

nal is to be brilt soon.

Hutchison is approximately 40 per cent-owned by Cheung Kong, Mr Li's top holding company which he controls with a 34.9 per cent stake. Hong Kong-quoted companies in a market have a market applied.

companies in which Mr Li has an interest have a market capitalisation of some HK\$120bn, 15 per cent of the exchange's total.

Mr Li has had his setbacks overseas: exploratory stakes in S. Pearson (which publishes the Financial Times) and Cable and Wireless failed to lead to the boardroom seats and management power he craved, and he sold out. Then a US\$150m bid he launched a year ago for a 50 per cent stake in Gordon America, owner of a US\$5bm junk bond portfolio, ran into problems with portfollo, ran into problems with US regulatory anthorities and the deal collapsed. But the Felizstowe deal dem-

onstrates that Mr Li is Hong Kong's most successful entrepre-neur, both at building assets and profits in the colony and at diversifying abroad; while most of his peers are focusing on property overseas, he has moved on to other sectors.



Li Ka-shing: Hong Kong's most successful entrepreneur following his purchase of Felixstowe (inset)

Job cut fears cast cloud over deal

By Richard Tomkins, Transport Correspondent

HUTCHISON Whampoa's move into the UK has good and bad points for Britain's ports indus-

Hutchison says the deal can be portrayed as "a massive vote of confidence in the British ports industry and the UK economy". But it can be se ing an aggressive and unwelcome competitive threat as Britain'a once-dozy ports industry reels from the effects of sweeping

changes to its structure. The first change followed the sbolition of the National Dock Labour Scheme in 1989. This swept away restrictive trade union practices and enabled the ports to compete by increasing

efficiency and cutting charges.

Tha government has also increased commercial incentives by privatising the biggest ports. More than 50 are in the private sector, and legislation before parliament will allow the sale of 15 more owned by self-governing

Feltzstowe has been untouched by some of these moves. As a late entrant to the industry, it was always privately owned and outside the scope of the Dock Labour

Other ports were unperturbed when it set up Britain's first container terminal in 1967, saying the terminal would not catch on. For a while, they appeared right:

the port suffered financial diffi-culties and sold out to European in customers from its other ports. Ferries in 1976. Then, as containerisation took

off, its facilities and freedom

from restrictive practices took it to the top of the UK size and profitability league. More recently, however, the shine has tarnished. Felixstowe is no longer unique, due to priva-tisation and deregulation. It has

Thamesport container terminal on the Isle of Grain.

Hutchison's aim will be to renew Felixstowe's impetus by appointing new management, integrating the Walton terminal owned hy Orient Overseaa,

But with tougher competition, to increase further whan the Channel tunnel opens, other ports - especially the trust ports now facing privatisation - fear

imminent rationalisation. Hutchison said yesterday that further European purchases were more likely to be of continental ports than British ones. But its interest in Felixstowe may signal other companies' interest in the UK market. And Mr John Meredith, new deputy chairman at Felixstowe, said yesterday: "In the fullness of time, we might come back and have a look at

some other ones."

Gardini successor moves to reassure shareholders

By Haig Simonian in Milan

MR ARTURO FERRUZZI, the new chairman of Seratino Fer-ruzzi, the family holding com-pany which controls Italy's Ferruzzi-Moutedison group, yesterday moved quickly to reas-sure employees and shareholders ruzzi-Moutedison

sure employees and shareholders following the surprise removal of Mr Raul Gardini from his post on Tuesday night.

Mr Ferruzzi is the sole male heir of the group's founder and the higgest single shareholder in Serafino. He said his aim would be to ensure the future transition of ownership to the second gener-ation of heirs "without trauma and without fragmentation of the capital". Mr Gardini himself was

not available for comment. The stock market reacted calmiy to the news. Ordinary shares in Montedison fell by just farm business.

L2 to L1.516 (\$1.15), while ordinary shares in the Ferruzzi Finship is not expected to have any

By Alan Cane in London

anziaria holding company rose by L38 to L2,306 in Milan yesterday. The removal of Mr Gardini sig-nalled discontent within the Ferruzzi family at both the style and content of Mr Gardini's plans for the group, despite his withdrawal from front-line management last November, and probably concern about a comeback.

Under a project he proposed at the time, ownership of Serafino Ferruzzi would have been diluted with the arrival of both second generation heirs and some senior

executives.

Mr Gardini may also have encountered opposition from family members following concern that the group was moving too much towards certain activities at the expense of the traditional

obvious short-term effect, it indicates a return to a more cautious and less controversial style than under the fiery Mr Gardini. His departure may also give greater scope to other top manag-ers not related to the Ferruzzi family. In particular, Mr Gin-seppe Garofano, a semior execu-tive in Montedison before the Ferruzzi takeover in the late

1980s, may have even greatar freedom of action.

A chemist by training, Mr Garofano has stood out as a financial engineer in leading Ferruzzi through a string of takeovers and dispersels.

disposals.

The latest changes in the family holding company, along with Mr Garofano's rise, suggest a period of consolidation rather than fireworks for Ferruzzi and its subsidiaries. Background, Page 20

What do you call a venture capital company that doesn't act like one?

The prospect of approaching some venture capitalists can be a daunting one. But if you're looking for a totally different approach, the answer is CINVen. We're backed by three of Europe's largest pension funds, and currently manage over £600 million of investments. For more information, call Sally Wright at CINVen on 071-245 6911. Our solutions could make all the difference. Manhor of IMBO

INTERNATIONAL COMPANIES AND FINANCE

Swiss watchmaker raises payout after 9% advance

SOCIETE Suisse Microélectronique et d'Horlo-gerie (SMH), Switzerland's big-gest watchmaking group, is raising its dividend for the fifth year running, after posting a 9 per cent increase to SFr191m (\$126.5m) in 1990 net

consolidated earnings.
Shareholders will receive
SFr12, up from SFr11, per registered share with a par value of
SFr100, and SFr12 per participation certificate. Registered shares with a par value of SFr20 will receive SFr24, up

The divideod increase, coming in the middle of what Mr Nicolas Hayek, chairman and chief executive, described as "a turbulent phase" for the entire Swiss watch industry, reflects SMH's confidence that it is emerging from its current diffi-culties and can produce

another profit increase in 1991.
Group sales slipped by 0.3
per cent to SFr2.14bn in 1990.
The second half of the year
was marked by a depreciation

Nedlloyd and

KLM discuss

By Ronald van de Kroi

NEDLLOYD, the Dntch shipping and energy group, said yesterday that it was negotiating the sale of its

remaining 40 per cent in Transavia, the Dutch charter airline, to KLM Royal Dutch Airlines.

A transaction would double

KLM's stake in Transavia to 80 per cent. In 1988, Nediloyd sold an initial 40 per cent holding to

KLM and a further 20 per cent stake to a consortium of Dutch

institutional investors.

Nedlloyd denied that the

talks were a response to pres-sure from Mr Torstein Hagen,

the company's biggest single shareholder with 23 per cent of

the share capital, to speed up the divestment of non-core

The company said the Tran-

price it was seeking.

Transavia

in Amsterdam

of the yen, favouring SMH's Japanese competitors; recession in the crucial US market; the Gulf crisis, which had serinns repercussions for watch sales; and SMH's fierce struggle against the Japanese companies to win a larger share of the trade supplying move-ments and chips to the Hong Kong watch assemblers. Taking into account a 3.8 per

cent depreciation of the yen against the Swiss franc, SMH managed to increase its sales by 3.5 per cent in real terms during 1990, with the European markets contributing most to this result.
Unit sales of watches and

movements climbed by 5.8 per cent to 57,887, reflecting SMH's success in extending its movements business. The average price, however, tumbled from SFr31 to SFr29.

Operating profit after depre-ciation declined by 7.6 per cent to SFr218m. The 9 per cent rise in net earnings was possible due to the inclusion of "non-operating" earnings of SFr20m, of which SFr18m derives from the dissolution of extraordinary provisions.

Howevar, the parent com-pany will make a nsw alloca-tion of SFr40m to special reserves from the 1990 net

Cashflow improved last year by 10 per cent to SFr281m, with depreciation rising to SFT90m from SFT80m in 1889. Investments climbed by 25 per cent to SFT141m. The group has invested almost SFT1bn in machinery and new products

After a "negative" first two months this year, SMH has seen an improvement in sales aince March. By the end of May it had recorded an 11 per cent increase in ordinary watch sales, compared with the first five months of 1969, and a 34 per cent climb in sales of movements and Swatches, its cheap, plastic watches which have spearheaded the recovery of the Swiss watch industry.

Dassault sales hit as export orders contract

By David White and George Graham in Paris

SALES at Dassault Aviation, the semi-nationalised French aircraft manufacturer, could drop as low as FFr15bn (\$2.53bn) this year from FFr17.1bn, according to its chairman Mr Serge Dassault. It would be the third successive year of folling turnous at a year of falling turnover at a company starved of export orders for combat aircraft.

Dassault has received no new foreign order for military aircraft since 1988 and that contract — placed by Jordan — has now been frozen because of payment difficulties.

The company, in which the French government owns 48 per cent with majority voting rights, is counting on growth in its business jet and space activities to reduce its depen-dence on military sales. How-ever, its medium-term outlook is largely pinned to prospects for its new Rafale fighter.

savia transaction would fit in with its timetable for refocus-ing on ocean and land trans-The first full-scale develop-ment aircraft in this pro-gramme is due to make its first port. It declined to reveal the

public flight today at Le Bourget air show. Barring delays in the programme, the Rafale is due to enter service from late 1996, at first with the French navy. However it is not expec-ted to be available for export before about 2002. In the meantime, Dassault is

seeking clients for a new, com-pany-funded export version of ita Mirage 2000 multi-rola fighter, the Mirage 2000-5, in competition with McDonnell

competition with McDonnell Douglas's F/A-18 and General Dynamics' F-16.

Switzerland, after opting for F/A-18s, is due to consider this new Mirage version, expected to be available in three or four years' time. The company gave an optimistic projection for world sales of the Rafale which, It said, could reach between 800 and 1,200 aircraft. The French air force and navy The French air force and navy are expected to take 335 of the aircraft. Dassault Aviation saw its net profit drop last year to FFr218.2m from FFr294.7m.

Bull wins agreement for talks with NEC

By William Dawkins

GROUPE BULL, the French state-owned computer maker, has received government agreement to relaunch talks with NEC for the Japanese electronics company to take a

stake in the group.

This removes the uncertainty over loss-making Bull's reorganisation plan, thrown into confusion when Mrs Edith Cresson, France's new prime minister, called for a rethink of Bull's negotiations with NEC after taking office last month.

She wanted to be sure that NEC would not attempt a grad-nal takeover of the French company, a move which would be barred under French regu-lations, which allow private groups to take only minority stakes in state-owned ones and

stakes in state-owned ones and under strict conditions.

Mr Francis Lorentz, Bull chairman, who is helieved to have been close to resigning over the prospect of having his plans impeded, yesterday received the go-shead at a board maeting with representatives of the French finance and industry ministries.

Bull officials expect shortly to complete an accord with

to complete an accord with NEC, under which it would exchange its 15 per cent stake in Bull HN, the overseas operations subsidiary, for a stake of less than 5 per cent in

Uni Storebrand net at NKr437m

UNI STOREBRAND, formed through a merger in January between Storebrand and Uni Forsikring, turned in group nat profits of NKr487m (\$63.8m) in the first four manths of the year. This com-pares with NKr592m on a pre-

merger basis, writes Karen Fossii in Osio. An average Norwegian win-ter in 1991, after an unusually mild 1990, led to an increase in motor insurance and per sonal injury claims. For the individual divisions

non-life posted a profit of NKr435m, against pro forms profits of NKr618m.

Lead player written out of drama

Haig Simonian goes behind the politics of a leading Italian family

uesday night's surprise removal of Mr Raul Gar-Ferruzzi group structure dini as chairman of Ser-afino Ferruzzi, the family hold-Serafino Ferruzzi ing company which controls the huge Ferruzzi-Montedison empire, has confirmed the rift between members of the Fer-ruzzi family. It also raises doubts about the future of Italy's second biggest privatesector group.

The Ferruzzi family empire includes controlling stakes in the Ferruzzi Finanziaria (Fer-fin) holding company and the Montedison chemicals group, while through Eridania, it is a leading force in the agro-indus-trial business. Outside Italy, the concern extends to Beghin-Say, the French sugar pro-ducer, and the Rimont chemi-

cals company in the US. First signs of a rift between Mr Gardini, husband of Idina Ferruzzi - the late Serafino Ferruzzi's eldest daughter and other members of the family, emerged in November when the family voted to sell Montedison's 40 per cuet stake in the Enimont chemicals joint

That ended a bitter, politicised, row between Mr Gardini and Emi, the huge public-sector energy and chemicals group, for control of Enimont, in which the two companies had

40 per cent stakes. By buying out Eni, Mr Gar-dini aimed to create an Italian private-sector chemicals condomerate around Montedison. However, in the process, he and the Ferruzzis became involved in a high-profile and politically charged affair.
Some viewed Mr Gardini's

decision to step back from Italian business following the family a rebuilt to his plans as a feint. That view gained weight when he took on chairmanship of the Serafino Ferruzzi family body's taste. With Enimont

Arturo Ferruzzi 40% Ferruzzi Finanziaria Ivan Gardini . Giuseppe Garofano Chief executive ₩ 40% Montedison Giuseppe Garofano Carlo Sama 100% Montecatini 60% Beginn Say: 100% (France) Himon (US) Edison

now out of the way, the family

may have felt freer to act. Under Mr Gardini's restruct-

uring, the shareholding base of Serafino Ferruzzi would have been extended from the late Mr

Ferruzzi'a four children to

three further groups. While the first generation's stake would

fall to 20 per cent, 50 per cent would go to the second genera-tion heirs, including Mr Gardi-

ni's son Ivan. Ownership of the company

would be further extended by giving 15 per cent to four key individuals not directly descended from the late

founder. That group comprised Mr Gardini, Mr Giuseppe Garo-fano, the financial wizard who has piloted Ferruzzi Montedi-

son through some of its biggest

holding company under the restructuring he proposed, and when his son Ivan was elected to the chair of Ferfin.

Mr Gardini's sudden removal
from the chair of Seratino Fer-

Eridania

ruzzi has swiftly ended such talk. In a terse press release, Ferruzzi, a normally communicative company, said only that the board of Seratino Ferruzzi had voted to replace Mr Gar-dini with the little-known Mr Arturo Ferruzzi. The sole male heir of the founder, he has shunned the limelight over the past 20 years to concentrate on the core agricultural business. Mr Ferruzzi's communique

indicated that Mr Gardini's project to restructure Serafino Ferruzzi was not to every-

deals, and Mr Sergio Cragnotti. the close associate of Mr Cas-dini who directed the Enimont aims who directed the Eminoric campaign. The fourth member of the managers' group was Mr Carlo Sama, a close Gardini side who has bolstered his rise through the Ferruzzi organisation by marrying Alessandra, Serafino Ferruzzi's widowed danghose.

The restructuring plan also involved the creation of a foun-dation in order to seal the future structure of the Ferruzzi family holding company.

hile the desire to ensure a smooth succession has not changed as Mr Arthro Ferruzzi's statement confirmed, the family has clearly decided to proceed more cautiously – and perhaps without the publicity and friction which Mr Gardini's presence tends to invite.

Mr Gardini's removal has raised questions about his own future and that of his son Ivan, 21, whose appointment last November as chairman of Ferfin raised a few eyebrows.

November as chairman of rer-fin raised a few eyebrows.

The signs are that Mr Ivan Gardini may find himself, in the record books as not only the youngest head of a major quoted company in Italy, but also one of the shortest lived, given reports that he is likely to step down following Ferfin's annual meeting at the end of annual meeting at the end of this month.

Mr Gardini senior'sfuture remains unclear. Some suggest he will concentrate on pas such as an America's Cup chal-lenge. However, the fact that he will probably remain on the board of Serzino Ferruzzi and in Ferruzzi-Montedison group posts outside Italy explains why others find it hard to believe that such a restless ele-

Berisford interim loss reaches £16.1m

By Maggle Urry in London

BERISFORD International, the property and commodities group which was virtually bankrupt a year ago, has made "very considerable progress" towards a stable footing, Mr John Sciater, chairman, said

The shares were unchanged at 390, as the group announced an interim pre-tax loss of

£16.1m (\$27.37m) compared with a profit of £21.4m. Debt had been cut substantially from £1.02bn to £124m over the 12 months to March 31 and to £74m by June 5, largely because of disposals. Berisford is looking to make

acquisitions as none of its existing activities could form a new core for the group, Mr

Sclater said. The company had not decided into which industry it should move. He ruled out buying a lot of goodwill, acquiring a company without good operating management,

or comesting a bid.

First-half turnover was

\$549.8m against £998.4m; interest charges came to £30.5m. down from £35.8m; and excep-

tional losses were £14.2m Reteined profit was £178.8m, against a £144.5m loss, after extraordinary gains of £183.3m against a £160.6m loss.

The loss per share was 0.9p, against earnings of 3.3p, and there was again no interim div-Lex, Page 18



Groupe Schneider

has acquired approximately 95% of the voting stock of

Square D Company

The undersigned acted as Financial Advisor and Dealer Manager for Groupe Schneider.

LAZARD FRÈRES & CO.

LAZARD FRÈRES ET CIE

June 11, 1991

Société d'Investissement à Capital Variab

33, Boolevard Prince Henri L-1724 Luxembourg R.C. No. B34036

DIVIDEND NOTICE

Fidelity Funds has declared dividends in respect of each of the classes of share (or fund) listed below, at the rate shown opposite the name of each fund (expressed in the currency of denomination of that fund). The dividend in respect of each fund is declared in respect of shares in issue of the relevant fund at the close of business on let May, 1991.

Fund	Corrency of Denomination	Dividend Rate	Bearer Share Coupos Namber
Ascen Fund	SU.S.	0.0260	1
France Fund	FF	0.1100	1
Japan Fund	You	0.0170	1
Hong Kong Fund	\$U.S. ·	0.0250	1
Italy Fund	Lire	8.2000	1
South East Asia Fund	SU.S.	0.0040	ī
Theiland Fund	SU.S.	0.0017	i
United Kingdom Fund	£	0.0026	i
European Bond Fund	- ECU	0.7100	1
International Bond Fund	. SU.S.	0.0400	i
Sterling Bond Fund	£	0.0059	2
US Dollar Bond Fund	SU.S.	0.1850	· ī
Yes Bond Fund	Yen	37.000	1 .

appropriate, on 12th hase 1991; dividend cheques not cashed within 5 years will lapse and the dividend will arrest to Pidelity Funds.

Dividends will be paid to holders of bearer shares in the carrency of denomination of the relevant fund (or by arrangement with the Paying Agent and at the cost of the shareholder in any other currency) against tender of the relevant coupon to the Lummbourg Paying Agent or to the Paying Agent for the United Kingdom, whose espective addresses are shown below:

Luxenburg Paying Agent: Bankers Trust Laxenbourg S.A., P.O. Box 807, . 14, bd F.D. Roosevelt, L-2018 Lanzabourg

United Kingdom Paying Agent Midland Bank PLC., HOVIA Causen Street, Loadon, ECAN 6AA.



Investments



Midland Bank pic

U.S. \$300,000,000 lated Floating Rate Primary Capital Notes (Series 3)

For the six months from June 13, 1991 to December 13, 1991 the Notes will carry an interest rate of 6.6% per annum. On December 13, 1991 interest of U.S. \$335.50 and U.S. \$3,355.00 will be payable per U.S. \$10,000 and U.S. \$100,000 respectively for Coupon No. 10. By: The Chart Manhattan Back, N.A.

COMMERCIAL **PROPERTY**

Appears every Friday in Financial Times. For advertising

> Peter Shield: 071 873 3284

information, please call

Vereins- und Westbank Internationale S.A. (the "Company")

dicumed meeting of holders of Canadii dollars 75,000,000 11% per cent. Notes Due 1991 of the Company (the "Noteholders" and the "Notes" respectively)

NOTICE IS HEREBY GIVEN to Noteholders, in accordance with the Terms and Conditions of the Notes, that a meeting of Noteholders will be held at Banters Trust Company, 1 Apold Street, Broadgate, London. EC2A 2HE on 24th June, 1991 at 12 noon (having been adjourned, through lack of quorum, from 10th June, 1991) to consider and, if thought fit, to pass the following resolution as an Extraordinary Resolution:

(i) the sale of all the issued shares of Vereins- und Westbank-Internationale S.A. (the "Company") by Vereins- und Westbank AG to Bayerische Vereinsbank International Societé Anonyme Lucemto Sayerische Vereinsburk International Societé Anonyme Lucem-bourg be and is hereby generally and unconditionally authorised by the holders of the Canadian dollars 75,000,000 11½ per cent. Notes Due 1991 (the "Notes") pursuant to Clause 19(D) of the Pitth Schedule to the Agency Agreement dated 11th October, 1989) between the Company and Bankers Trust Company; and

(ii) Condition 8(k) of the Notes be modified by the deletion of the words "Vereine- und Westbenk AG" and the substitution therefor at

Bayerische Vereinsbank International Societé Anonyme

Principal Office: Centre Financier, 38 boulevard du Prince Henri,

Vereins- und Wastbank

By order of the Board

તે સોક્ષ

(1) Notes in bearer form may be deposited with (or to the order of) the Fiscal Agent or any of the Paying Agents issed below for the purpose, of obtaining voting certificates or appointing prodes until 48 hours before the time fixed for the adjourned meeting but not thereafter.

(2) For the purpose of obtaining voting certificates or giving voting instructions to proxies in respect of the adjourned meeting Notes may be deposited with the Fiscal Agent or any of the Paying Agents or (to the satisfaction of the Fiscal Agent or any such Paying Agent) held to its order or under its control with CEDEL or the Operator of the Europlear System or any other person until 48 hours before the time-for which the adjourned meeting has been convened but not

(3) At the adjourned meeting two or more persons present in person, holding Notes or voting cartificates or being proces (whatever the principal amount of the Notes so held or represented by them) shell constitute a meeting and form a quorum.

(4) The Fiscal Agent is:-

Bankers Trust Company, Appold Street, London EC2A 2HE

(5) The Paying Agents are:-Bankers Trust Luxembourg S.A., 14 boulevard F.D. Roose 1-2460 Luxembourg.

Swies Bank Corporation

BUSINESS SOFTWARE

A selection of software packages to suit your business needs appears every Saturday in WEEKEND FT.

Order your copy today.

INTERNATIONAL COMPANIES AND FINANCE

GE increases investment in Hungarian lamp maker

GENERAL Electric of the US planned for this year. HENERAL Electric of the US planned for this year into lifted its share in Tungs GE's deepening involvement in the Hungarian lamp mak. In Tungaram comes as the high company, to more than 75 Hungarian company is thying to stem losses. Tungaram had lost Til.5bn in 1990, said Mr Varga, who blamed restructuration to be followed by a first son (847m) capital injection devaluation to keep pace with to help fund an investment domestic inflation programme in Tungaram. In spite of the continuing Tungaram's prospects," said Mr Varga forecast the com-

Tungsram's prospects," said Mr Varga forecast the comMr Gyorgy Varga, whom the
US company hrought in as
the erecutive of Tungsram.
The latest infusion is in addition to GE's purchase of 50 per
cent of Tungsram for \$150m
and an investment of \$20m
the process of credit reduce the burden of Hungary's high
interest rates.

Tungsrama 1990 sales rose
Tungsrama 1990 sales rose
Tungsrama 1990 sales rose
Tungsrama 1990 sales rose chief enecutive of Tungaram. and greater reliance on WestThe latest influsion is in addition to GE's purchase of 50 per
cent of Tungaram for \$150m
and an investment of \$20m
ier 1990, and a further
investment of \$35m which is

Europe. The company forecast sales growth of 10 per cent in

GE Lighting is aggressively pursuing market share in Europe, where it has had little presence, despite being the world's second largest lighting manufacturer. Following up its purchase of Tungsram, GE bought the loss-making lamp-making business of Britain's Thorn-EMI

GE-Tungsram is focusing much of its expansion on production of compact fluorescent lamps, the fastest growing section of the market. GE has also made Hungary Its interna-tional production centre for the long-lasting and energy-saving bulbs.

AT&E may file for bankruptcy

By Mild Tall in New York

4

34.37 4 447 1 77

indian.

1 1 1

the plants.

A CONTRACT

mar de

140 N. 37

bank

. 76

3

A LINE WEST

متحك حوز بردر

وج بدو مود ب

1.49

Line Little Park

4. A. A.

AT&E, the San Francisco-based

put much of its workforce on tunnid leave and substantially curtail its operations.

It claimed it would have to seek protection under the federal bankruptcy laws unless it received an immediate cash infrusion to meet short-term

infusion to meet short-term cash requirements.

AT&E, which has been strug-gling for months in spite of senior management changes,

had received help from Seiko Corporation of Japan, which was also interested in the pos-sibilities of a market for the "bleeper watch" — a wristwatch which also functions as watern which also functions as an advanced paging device by receiving short messages via radio frequencies.

Selko provided AT&E with a \$7.8m loan and agreed to lend it a further \$11.5m if the US

company met certain financial targets.
But AT&E said yesterday that Seiko was unwilling to provide additional instalments under the loan agreement A bankruptcy filing could be made within the next week, although the US group said with Seiko. An annual meeting due to take place on June 18 has also

take place on June 18 has also been postponed.

AT&E talked of supplying the "bleeper watch" in 1986. The idea was greeted with some scepticism, but the company did succeed in raising money from some investors, including Seiko.

However, AT&E's financial condition has steadily deteriorated since then.

rated since then.
In the first quarter of 1991, it posted a net loss of \$4.82m. In April, the company's founder, Mr Don Hoff, resigned as chair-man and chief executive, being replaced by Mr Nicholas Mammana, a former Bell System

Henley in negotiations over sale of some assets

By Nikki Talt in New York

NO OUTRIGHT buyers have emerged for Henley Group, according to financial advisers for the industrial holding company which was spun off from Allied Signal in 1986.

However, Henley said that it was still in "serions negotiations with prospective buyers for certain units" within its business.

The company called in advisers to look at possible future alternatives for the business after it received an unwanted bid approach – at \$22 a share – from Libra Invest & Trade earlier this

year.
Libra is a Swiss-hased operation, owned by a Lehanese investor; at that stage, it held 25 per cent of Henley. Libra's bid was withdrawn in

May, but its stake in Henley has subsequently increased to around 30 per cent.

Yesterday's announcement claimed that the company was

involved in some serious negotiations already and added that other expressions of interest had been received for

merest had been received for additional operations.

The company stressed that there could be no assurance that a deal would be struck, but noted that if cash proceeds were obtained from asset sales, then could be used to him to they could be used to buy in stock, fund extraordinary dividends, make acquisitions or fund internal development.
Henley's interests range from the manufacturing of aerospaca components to scientific products.

Petersville Sleigh plans to sell assets worth A\$150m

By Mark Westfield in Sydney

Adelaide Steamship group associate, has told shareholders it plans to raise A\$150m (US\$113.6m) from asset sales to reduce its borrowings of

Its list of likely disposals is headed by the US-based AAM, which holds the assets of Buffums, the failed Californian department store, and East-man, the office equipment supplier.
Petersville Sleigh owns half
of AAM with another Adsteam

associate, David Jones, the troubled retailing and investment group.
In its recent interim result,
Petersville sald that AAM had

shown the capacity to generate before-tax earnings of A\$20m, suggesting that the partners

African tobacco-based con-

glomerate, out-performed mar-ket expectations to report

improved earnings in the year to end-March.

Equity accounted earnings per share increased by 15.1 per cent to 165.8 cents from 144

cents, when most analysts

were forecasting growth closer to 7 per cent. Equity accounted

attributable income rose by 15 per cent to R865.3m (\$305.70m)

The main imponderable in

assessing Rembrandt's performance concerns the profitabil-

By Stefan Wagstyl in Tokyo

second largest battery maker, yesterday announced a \$118m US acquisition — designed to boost its production and sales in North America.

The proposed purchase is an indication that Japanese companies have not lost their appearance.

from R751.9m.

PETERSVILLE SLEIGH, the would be seeking about independence from its control ling sharebolder, Tooth and Co, it has been caught up in A\$200m for the company.
Petersville holds its share of AAM in its books at A\$117m. Mr Bob Cumberlidge, manag-ing director, told shareholders

the company was conscious of the need to strengthen its bal-ance sheet by reducing debt. Other targets for sale, which are not among Petersville's core food and forestry operations, would be Bambury Engineering and its half-share in Patrick Sleigh Shipping Agency.
Petersville also owns 80 per

mining side are a 25.2 per cent stake in Genbeheer, the Gencor holding company, and a 17.4 per cent stake in Gold Fields of per share against 25 cents.

Yuasa in \$118m purchase to increase US sales

Loscam, which it acquired last Although Petersville renego-tiated its borrowing arrange-

Rembrandt doubles expectations

ests, which contribute about 40

per cent of earnings. Rem-brandt dominates the local tohacco industry, owning nine of the top 10 cigarette hrands.

of the top 10 cigarette hrands.

The powerful cash flow generated from tobacco has allowed the group to diversify its interests considerably. The balance of earnings comes from mining, industrial interests and financial services.

The main interests on the mining side are a 25.2 per cent

REMBRANDT, the South ity of its unlisted tobacco inter-

cent of Australia's second largest pallet leasing husiness,

the collapse of the three main Adsteam companies, which are the subject of a deht morato-rium and bank-imposed recon-

struction.

Mr Cumberlidge said in the letter that the result for the year to June 30 would be "unsatisfactory" because of depressed trading conditions and the need to write down its gross the need to write down its cross-shareholdings back into

the Adsteam companies.

In March, Petarsville reported a loss for the first six months of the year of A\$32.25m, compared with a A\$49.1m profit for the same period last year. Its share price rose 3 cents yesterday to 83 cents.

South Africa (GFSA). On the

industrial side, the bulk of earnings comes from HLH's

adhesives manufacturer Hen-kel and engineering group Dor-

byl. The group's financial

interests were recently rationalised with the formation of Absa, the country's largest banking group.

Analysis thought the R911m

paid last year to increase Rem-brandt's stake in GFSA would

13 per cent to R269m By Phillp Gawith

Anglovaal

lifts earnings

ANGLOVAAL, one of South Africa's leading mining and industrial conglomerates, has announced an estimated 13 per cent rise in earnings to R269m cent rise in earnings to R269m (\$95m) in the year to June 30. Despite a 39 per cent increase in share capital following a rights issue last year, earnings per share were only 15 per cent down at 450 cents. The overall dividend on the ordinary and the special N ordinary shares was maintained at 92 cents, with cover down from 5.8 to 4.9.

down from 5.8 to 4.9.
Anglovaal's mining investmant company, Middle Witwatersrand (Midwits), has reported a 77 per cent rise in estimated earnings to R46.5m. Earnings per sbare rose an estimated 34 per cent to 14.5 cents per share, but the overall dividend was unchanged at 6 cents per share. Management 6 cents per share. Management said this reflected the uncertain state of the industry.
Anglovaal has always

declared its final dividend and published preliminary esti-mated results for the end of its financial year - June 30 - in early June. The diversification of the group's interests, how-ever, has complicated the consolidation of results, making estimates even more difficult.

As a result the final dividend will be declared and the annual results published in future only when audited figures are available in Septem

ATER, the San Francisco-cased company that specialises in personal communications devices, yesterday warned it may have to seek bankruptcy protection.

The company, which has being trying to develop a market for "bleeper" watches, said a cash crunch had forced it to make much of its providers.

new models

IRM, the US computer maker,

is introducing several new, aggressively priced personal computers and upgraded models in its latest bid to hold its dominant share of the market.

The move follows two

IBM PCs are priced in the US between \$1,995 and \$4,195.

maker to announce it will use

Intel has not yet introduced this very fast version of its

highest performance chip.

The group upgraded several of its PC models by adding

memory or increasing the capacity of the bard disk drive.

Prices did not rise.
The company also announced a touch-sensitive

colour display. Users can select functions simply by touching specific areas of the acreen. IBM sees the touch screen being used in multi-media

BDDP adds

to stake in

Wells Rich

BDDP, the aggressive French advertising agency group, has raised its stake in Wells, Rich,

Greene, the New York-based agency, from 40 to 70 per cent. Under the terms of the deal, Wells Rich will also take a

small stake in the French com-pany. Financial details of the deal were not disclosed.

The US agency will now be known as Wells Rich Greene. BDDP.

Wells Rich was set up about 25 years ago and the deal marks the further sale of shares by Mrs Mary Wells Law-

rence, a co-founder of the

agency. It effectively marks her withdrawal from the busi-

ness. The first alliance between

the two companies was formed

By Nikki Talt

applications.

IBM also because the first-PC

By Louise Kehoe in San Francisco

IBM plans | Citicorp seeks partner to introduce in credit cards business.

By William Dawkins in Paris

CITICORP is looking for a buyer for 15 per cent of its credit cards business, the world's largest. This is the latest stage in the

This is the lenest stage in the US hank's attempt to raise shin to \$5 bn by the end of 1993 to ahore up a balance sheet weakened by loan losses on US real estate and overseas markets.

Mr John Reed, Citicorp's chairman, said, the group boped to raise 150n by the end of next year r including 120n in 1991 — either through an rounds of price cuts over the past few weeks.

Among the new models introduced are four mid-range machines that address the highest volume sector of the market. Based upon the intel increase in capital or through

plan. Mr Reed, in an interview

lapse of property prices and he expected to see many mergers between smaller regional banks before the crisis was

Mr Reed said Citicorp's property loans represented 6 per cent of its total, compared with an average of about 25 per cent for its US banking competitors.

By the end of last year, Citi-corp's core capital stood at around \$8bn, the minimum that international banking

rules permit for a balance sheet of Citicorp's size. The bank's drive to raise was considering selling a \$1.19bn, including \$590m in inlumity stake in the credit February from Prince al-Walcards business, but this is the eed bin Talal of Saudi Arabia, first time it has confirmed the plus \$600m from a private place. \$1.19bn, including \$590m in February from Prince al-Wal-eed bin Talal of Saudi Arabia, ing. The Saudi prince, an old acquaintance of Citicorp, had 5

Royal Bank of Canada lifts capital

ond higgest bank, has indi-cated it is considering a sizeable acquisition in the US.

Mr John Merriam, senior

vice-president, said yesterday

that, "we're not getting the capital because there's some-thing imminent, but it does

make us better positioned for

The new capital consists of C\$300m of non-cumulative pre-

Nordion sold to Canadian-led group

The government has set a

maximum of 25 per cent on total non-Canadian ownership.

In another deal IAF BloChem International, one of

Canada's fastest growing drug research groups and 11 per cent held by Glaxo of the UK,

is acquiring 70 per cent of two related Italian diagnostics con-

cerns for IAF stock worth

Systems of Bologna and Chem-

The companies, IFCI Clone-

ila of Rome, are owned by IFCI Aids di Holdings, a family owned phar-maceuticals group headed by drugs.

acquisition opportunities".

with Le Figaro the US banking capital, tising to 10 per cent in industry, was still auffering convertible shares, said Mr from the recession and the col-

By Bernard Simon in Toronto

ROYAL Bank of Canada has strengthened its capital base by raising C\$550m (US\$482.5m) in preferred shares and deben-

The capital injection lifts

RBC's Tier I capital ratio to 5.5 per cent of assets and its total

capital ratio to 8.8 per cent of assets. The latter is the highest

of any Canadian bank.

RBC, North America's sec-

By Robert Gibbens in Montreal

CANADA'S federal govern-ment has sold Nordion Interna-tional, a leading maker of radio

isotopes and radio chemicals for medical uses, for C\$165m (US\$144.7m). The buyer is a group led by MDS Health Group of Toronto.

MDS will hold 80.1 per cent of Nordion; Britain's American Company of Toronto.

sham International will bold snam international will point the balance.

Nordion recorded revenues of C3167m last year and most of its production was emported

overseas to about 100 coun-

in New York

THE severe slump in the US tyre market was underlined yesterday when Goodyear Tire & Rubber announced the tem-porary lay-off of some 600 workers at three plants

II-year tenure. Goodyear announced in 40 per cent from the 1990 level.

ferred shares and C\$250m of ten-year 10.75 per cent fixed-rate debentures. The preferred shares are not redeemable

before August 2001, after which they can be redeemed either for cash at par or for common shares at 95 per cent of the prevailing market price.

stood at C\$9.7bn on April 30. Its assets total C\$131.9bn.

Both make and distributa diagnostic systems in Europe and together have annual sales

of C\$12m. Sales are expected to rise to C\$20m next year.
Dr Francesco Bellini, presi-

dent, said the two Italian com-

Aids drug jointly with Glaxo and is working on anti-cancer

Goodyear lays off 600 workers

By Martin Dickson

because of reduced production.
Goodysar, which is burdened
with high-debt and a slide into
losses, surprised Wall Street
last week when its chairman. Mr Tom Barrett, resigned after only two years in the job. He was replaced by Mr Stanley Gault, the recently retired By Mark Westfield . head of Rubbermaid, who pro-duced a remarkable surge of earnings at the consumer goods company during his

March that it would cut 1,100 white collar jobs and reduce capital expenditure by nearly

tite for overseas acquisitions. aven though the number of AIDC sells 23% share in wheel maker

AIDC, the Australian government's venture capital group, yesterday sold its 23 per cent holding in Southern Aluminium, the aluminium wheel maker, to Citic Austra-lia a subsidiary of the China International Trust and

Investment Corporation.

AIDC was a founding shareholder of Southern Aluminium, which makes alloy wheels at Bell Bay in Tasmania for export to Japan and Germany. Southern Aluminium can

make up to \$00,000 wheels a year, and uses hot metal from the nearby Bell Bay smelter owned by Comalco, its 63 per cent shareholder.

Its other shareholders are Mitsnbishi and Enkel of

AIDC did not disclose its sale price. However, it remains the leading lender to the project and has kept in place a limited facility extended when Southern Aluminium was founded in 1988.

Thai Airways sees sharp fall

STATE-owned Thai Airways International said yesterday that pre-tax profits and operat-ing revenue this fiscal year will be sharply below projec-tions because of high jet fuel costs and the slow recovery of passenger traffic since the Gulf war, Reuter reports from

panies will complement IAF's diagnostics business and add a high precision diagnostic Bangkok. Mr Thamnoon Wanglee, instrument to its product range IAF will distribute the Italian company's products in senior vice-president, said pre-tax profit for the year ending September 30 was expected to fall to between 1.5bn baht (\$61m) and 2bn baht from an IAF is developing an antiearlier estimate of 5.2bn baht. Profits will largely come from the airline's regional service.

YUASA Battery, Japan's large takeovers - topping \$1bn - has declined in response to the rise in worldwide interest rates, world economic slow-down and a reassessment of the merits of some of the hig Japanese acquisitions made in the late 1980s.

Osaka-based Yuasa is buying tha industrial division of Exide, the US battery and

power products manufacturer, with which Yuasa has had ties for 20 years. The industrial division includes Exide's indus-trial battery and charger Yuasa intends to merge the

newly acquired business with its existing North American operation into a new company called Yussa-Exide, which will

use the Exide brand name. The Exide operation is based in Exide operation is based in Reading, Pennsylvania, and has factories in South Carolina, Kentucky and Obio. Sales in the year to end-March 1992 are expected to be \$165m.

Yuasa, which started in 1920 by making car batteries, has joint ventures in 12 countries.

NOTICE OF REDEMPTION MORTGAGE FUNDING CORPORATION NO. 1 PLC

Class A-1 Mortgage Backed Floating Rate Notes

Due March 2020

NOTICE IS HEREBY CIVEN to Bankers Trustee Company Limited (the "Trustee") and to the holders of the Class A-1 Mortgage Backed Floating Rate Notes Due March 2020 (the "Class A-1 Notes") of Mortgage Funding Corporation No. 1 PLC (the "Issuer") that, pursuant to the Trust Deed dated 3 ist March, 1988 (the "Trust Deed"), between the No. 1 PLC (the "Issuer") that, pursuant to the trust Deed dated 31st March, 1988 (the "Irist Deed"), between the Issuer and the Trustee, and the Agency Agreement dated 31st March, 1988 (the "Agency Agreement"), between the Issuer and Morgan Guaranty Trust Company of New York (the "Principal Paying Agent") and others, the Issuer has determined that in accordance with the Redemption provisions set out in the Terms and Conditions of the Class Al-Notes, Available Capital Funds as defined in the Terms and Conditions in the amount of £4,300,000 will be utilized on 28th June, 1991 (the "Redemption Date") to redeem a like amount of Class A-1 Notes. The Class A-1 Notes relected by drawing in lots of £100,000 for redemption on the Redemption Date at a redemption price (the "Redemption Price") equal to their principal amount, together with accrued interest thereon are as follows:

OUTSTANDING CLASS A-1 NOTES OF £100,000 EACH BEARING THE DISTINCTIVE SERIAL NUMBERS SET OUT BELOW Bearer Notes

•	151	339	765	1077	1166	1420	1583	1695	
20									
25	187	480	859	107B	1220	1514	1595	17(X)	
54	198	558	866	1143	1234	1528	1658	1717	
132	260	605	948	1158	1345	1543	1661		
150	335	664	949	1163	1408	1575	1686		
A-1 Not	es may be	surrendere	d for reden	nption at th	e specified	office of a	my of the P	aying Agent	>, W

Morgan Cuaranty Trust Company of New York PO Box 161 60 Victoria Embankment

Londou EC4Y OIP Union de Banques Suisses (Luxembourg) S. A. 36-38 Grand-rue 1-2011

Morgan Cuaranty Trust Company of New York Avenue Des Arts 35 B-1040 Brussels, Belgium

Mergan Cuaranty Trust Company 55 Exchange Place, Basement A New York, New York 10260-0023 Aun: Corporate Trust Operations

In respect of Bearer Class A-1 Notes, the Redemption Price will be paid upon presentation and surrender, on or after the Redemption Date, of such Notes together with all unmatured coupons and tulons appertaining therein. Such payment will be made (i) in sterling at the specified office of the Paying Agent in London or (ii) at specified office of any Paying Agent listed above by sterling cheque drawn on, or at the option of the holder by transfer to a sterling account maintained by the payee with, a Town Clearing branch of a bank in London. On or after the Redemption Date interest shall cease to accrue on the Class A-1 Notes which are the subject of this Notice of Redemption

MORTGAGE FUNDING CORPORATION NO. 1 PLC

By: Morgan Guaranty Trust Company OF NEW YORK, as Principal Payong Aprel

Dated: 13th June, 1991

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agency has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent if presenting your Class A-1 Notes to the paying agency's New York Office

Appointments Advertising

Appears every Wednesday & Thursday (UK), and Friday

tries.
An employee-led group dropped a bid for all of Nor-NOTICE TO BONDHOLDERS

The Total Bank, Limited will be a continuing corporation and caccordingly all contractual obligations and including those of the Bonds will not be affected by such merger. The corporate name of the Total Bank, Limited after the return will not be returned after the

RZB-Austria (Formerly GZB Vienna)

dion's stock in April because of Mr Orlando Antonini. financing difficulties. Both make and d

Floating rate subordinated notes due 1992

Coupon No. 40 will be US\$82.26. Listed on the Luxembourg Stock Exchange.

Agent: Morgan Guaranty Trust Company



BANQUE PARIBAS

US\$200,000,000

Undated floating rate securities

In accordance with the provisions of the securities, notice is hereby given that for the three month interest period from 13 June, 1991 to 13 September, 1991 the securities will carry an interest rate of 61/4% per annum. Interest due on 13 September, 1991 will amount to US\$15.77 per US\$1,000 security.

Agent: Morgan Guaranty Trust Company

U.S. \$50,000,000



Crédit Chimique

Floating Rate Notes due 1996

in accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from June 13, 1991 to December 13, 1991 the Notes will carry an Interest Rate of 6%% per annum. The interest payable on the relevant interest payment date, December 13, 1891 will be U.S. \$330.42 per U.S. \$10,000 principal amount and

By: The Chase Manhattan Bank, N.A. London, Agent Bank

U.S. \$8,260.42 per U.S. \$250,000 principal amount



(International

Edition)

The Tolcal Benk, Limited U.S. \$100,000,000 2%% Convertible Bonds due 2001

Notice is hereby given that The Tokai Bank, Limited will merge with Sanwa Shinkin Bank effective as of 1st October, 1991 subject to the ist October, 1991 stuped to two, approval of the general stoctings of shereholders of both banks to be beld on 27th Iume, 1991 and to governmental approvals required under applicable laws and regulations including validation of the Minister of France.

The Tokai Bank, Limited will be a

RBX

Raiffeisen Zentralbank Österreich AG

US\$50.000.000

For the three months 13 hane, 1991 to 13 September, 1991 the notes will carry an interest rate of 6 % & per annum. Interest payable on the relevant interest payment date, 13 September, 1991 against

This announcement appears as a matter of record only

NEW ISSUE

12th June, 1991



TOYO CONSTRUCTION CO., LTD. (Toyo Kensetsu Kabushiki Kaisha)

U.S.\$100,000,000

4½ per cent. Guaranteed Bonds 1996

with

Warrants

to subscribe for shares of common stock of Toyo Construction Co., Ltd. Payments of principal of and interest on the Bonds are unconditionally and irrevocably guaranteed by

The Sanwa Bank, Limited

ISSUE PRICE 100 PER CENT.

Nomura International

IBJ International Limited

Daiwa Europe Limited

Sanwa International plc

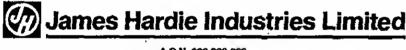
New Japan Securities Europe Limited

Toyo Trust International Limited

Barclays de Zoete Wedd Limited **Credit Suisse First Boston Limited KOKUSAI** Europe Limited Merrill Lynch International Limited The Nikko Securities Co., (Europe) Ltd. Salomon Brothers International Limited **Swiss Bank Corporation** S.G. Warburg Securities

Baring Brothers & Co., Limited Kleinwort Benson Limited Lehman Brothers International Mitsui Taivo Kobe International Limited Nippon Credit International Limited J. Henry Schroder Wagg & Co. Limited **Towa International Limited** Yamaichi International (Europe) Limited Mitsobishi Trust International Limited

Sumitomo Trust International plc



A.C.N. 000 009 263 (Incorporated in New South Wales, Australia)

James Hardie - one of Australia's leading building products and services companies

	Year To 31 March 1991	Change from previous year
Sales	\$A 1,265.9 million	-0.8%
Profit after tax and minorities	\$A 71.6 million	-20.7%
Earnings per share (adjusted)	21.0 cents	-24.1%
Dividends per share (adjusted)	17.0 cents	-10.0%

- Lower profits due to sharp deterioriation in trading conditions
- Construction in Australia, New Zealand and the USA depressed
- The Group's cost base reduced by out \$A20 million per annum
- Strong balance sheet and imporoved gearing ratios
- R & D and capital expenditure levels maintained

For further Information on the Group, please write to the Company Secretary at James Hardle Industries Limited 65 York Street, Sydney, NSW 2000, Australia.



BANQUE PARIBAS

US\$400,000,000

Undated subordinated floating rate securities

In accordance with the provisions of the securities, notice is hereby given that for the interest period from 13 June, 1991 to 13 September, 1991 the securities will carry an interest rate of 6 3/8% per annum. Interest payable value 13 September, 1991 per US\$1,000 security will amount to US\$16.29 and per US\$10,000 security will amount to US\$162.92.

Agent: Morgan Guaranty Trust Company

JPMorgan

PHARMACEUTICAL INDUSTRY

The FT proposes to publish this survey on 23 July 1991. It will be seen by approximat readers in 160 countries world wide. If you want to reach this important audience, call Bill Castle on 071 873 3780 or fax 071 873 3062

FT SURVEYS

Province of Alberta

US\$ 500,000,000 osting Rate Notes due 1993

fixed at 633/64% for the interest period 13th June, 1991 to

on 13th December, 1991 will be US\$ 331.21 in respect US\$ 10.000 pomina mount of the Notes, and US\$ 8,280-27 in respect of US\$ 250,000 nominal ount of the Notes.

Agent Bank 11th June, 1991

Wells Fargo & Company

US\$150,000,000 Floating rate subordinated notes due 1994

of the notes, notice is hereby gloen that for the Interest Period 13 hme, 1991 to 13 September, 1991 the notes will carry an interest Rate of 6 5/4% per annum. Interest payable on the relevant inter est payment date 13 September, 1991 will amount to US\$161.32 per US\$10,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

Crossland Savings, FSB U.S. \$100,000,000

Collateralized Floating Rate Notes, Series A due December 1997

Listed on the Luxembourg Stock Exchange

For the three months 11th June, 1991 to 11th September, 1991 the Notes will carry an interest rate of 6%% per annum with an interest amount of U.S. \$1,677.08 per U.S. \$100,000 nominal. The relevant interest payment date will be 11th September, 1991.

Bankers Trust Company, London

Agent Bank

INTERNATIONAL CAPITAL MARKETS

Amex asks permission for multiple stock issues

By Patrick Harverson

American Stock THE American Stock Exchange yesterday asked the Securities and Exchange Commission, the US watchdog, to approve its plan to allow listed companies to create multiple classes of stock with unequal

voting rights.

The proposal would permit a company listed on Amex to issue multiple classes of stock if it receives the approval of either holders of two-thirds of the onstanding stock or a the outstanding stock, or a simple majority of sharehold-ers not affiliated with manage-ment or controlling interests.

Amex's plan has sparked controversy because it departs from the SEC's recommenda-tion to explanate that multi-

tion to exchanges that multi-ple stock issues should only be allowed in exceptional circum-

stances.

After a federal court ruled last year that the SEC could not impose its policy on exchanges, the commission asked the leading US exchanges if they would comply with the policy voluntable.

Exchange, and the National Association of Securities Deal-ers (which runs the electronic stocks) both agreed to the SEC's request. Amex, however, decided to go its own way, commissioning a panel that came up with yesterday's pro-posal for multiple classes of

Critics of the Amex plan argue that all shareholders should have equal voting rights and that groups of shareholders should not be shareholders should not be disenfranchised by the deci-sions of others. Amer counters that the creation of multiple classes of stock should be left to shareholders to decide.

Mr James Joues, Amex chairman, said yesterday in response to claims his plan could lead to some shareholders losing their voting rights, that shareholders already have the power to vote on actions such as corporate restructur-ings – that disenfranchise other shareholders.

CME works on Panama futures exchange

By Barbara Durr

THE Chicago Mercantile Exchange is working with Panama to create a regional financial futures exchange that could trade third world debt instruments.

A \$1.1m proposal to fund the first phase of what is expected to be a three-phase project to create the market will shortly be submitted by Panama to the Inter-American Development Bank for approval. The price tag on the entire project will

be at least \$12m.
The first phase will cover an assessment of the legal and regulatory framework needed for such a market and recomdations on what products would be appropriate.
The CME will be working

with the Panamanian ministry of commerce and the fledgling Bolsa de Valores, which currently trades a few securities and some national debt instruments. The CME, which is known for its creativity in designing derivative financial products, will look at the pos-sibilities of futures for third

world debt paper, commodities and a freight index. Mr Jack Sandner, chairman of the CME, said Panama had the potential to be "a vibrant financial centre."

The country's status as a regional banking centre, and its use of the US dollar as its national currency were expec-ted to help ease the develop-ment of such a market.

Glaxo to offer Y20bn Samurai By Emiko Terazono

GLAXO Holdings, the UK

pharmacentical group, will offer Y20bn in yen-denomi-nated convertible bonds next

Glazo will be the first com-pany to issue the "Samurai" convertible bonds issued in Japan by foreign companies or

The issue, lead managed by Nomura Securities, has a cou-pon of 4.3 per cent and is due The bonds can be converted into 325 common Glaxo shares

per par value of Ylm. The conversion price for the bonds will be 1,299p per share Glaxo said the funds will be used for expansion of research facilities and plants of Nippon

Glaxo, which is its Japanese subsidiary.
Glaxo, listed on the Tokyo Stock Exchange's foreign sec-tion in 1987, expects to file an application for listing on the convertible bond market.

en en la composition de la composition

Treasuries decline sharply ahead of inflation figures

By Patrick Harverson in New York and Simon London in London

US bond prices fell sharply across the range yesterday morning as dealers and inves-tors unloaded stock shead of today's important inflation

At midday the benchmark 30-year Treasury issue was down if at 95% to yield 8.516 per cent. The two-year note was also markedly weaker, down & at 991, yielding 7.025

Trading activity remained light, said dealers, and the motivation for yesterday's declines was a rejuctance among market participants to be caught long of bonds or notes when the May producer prices data is released early

producer prices to increase by either 0.2 or 0.3 per cent. Anything larger could revive fears of rising inflation and trigger a sell-off of Treasury

The market is expecting core

Prices may have been have GOVERNMENT

BONDS

tarily.
The New York Stock also been undermined by reports yesterday that a Federal Reserve official had said he believed the economic recovery was proceeding more quickly than expected. inter market in US

THE German government bond market fell sharply yes-terday as retail sales figures for April indicated that strong inflationary pressures persist in the domestic economy. The September bund futures contract on the London Inter-national Financial Futures Exchange closed at 85.46, down

from an opening level of 85.88. Volume was 37,874 contracts.
Retail sales grew at a year-on-year rate of 11 per cent during April, against 8.5 per cent in March. The worse than expected figures lifted feare expected figures lifted fears that interest rates will be increased at today's Bundes-

bank council meeting.

However, others believe the
Bundeshank will not raise
rates yet. Yesterday the central hank moved to ease upward pressure on money market interest rates by injecting DM3.8bn of short-term liquidity at a regular repurchase opera-tion.

In addition to domestic fac-tors, the market was unsettled by the strength of the dollar on the foreign exchange markets.

BENCHMARK GOVERNMENT BONDS 10.000 08/00 704.4000 -0.500 BELGIUM 8.25 8,000 11/00 98,6250 -0.200 9.000 02/96 90.2367 -0.257 9.500 01/01 102.1500 -0.420 8.375 -05/01 100.0800 -0.030 8.500 03/01 98.9500 -0.100 17 39 11.900 67/96 99.6500 -0.100 -5/32 -9/32 -13/32

Yesterday the dollar resumed its bull run, breaking through the DM1.79 barrier against the German currency before falling to trade at around DM1.7880 in

ndon closing, "New York marning sessiones: US, UK in 32nds, others in decimal

late afternoon.

French government bonds also closed lower, as hopes of an early cut in interest rates receded and the market was overshadowed hy political

instability.
The June government bond futures contract on the Matif, the Paris futures exchange, closed at around 104.90, down from 105.36 on Tuesday. The Spanish authorities yes-

erday announced consumer price index figures for May which showed that underlying inflation remains stubbornly

high.
Consumer prices rose 0.3 per cent during May for a year-on-year rate of 6.2 per cent, against 5.9 per cent in April. against 5.9 per cent in April. The figures suggest the Bank of Spain will continue to resist any aggressive easing of mone-tary conditions, despite pres-sure from Spain's partners in the European exchange rate mechanism. The strength of the pesets at the top of the ERM has limited the scope for interest rate cuts in other countries, especially France.

MUK government bond prices ended the recent positive run and followed other European bond markets lower. The benchmark 11% per cent gilt maturing 2003/2007 closed at 107% down % point on the day, for a yield of 10.55 per cent.

■JAPANESE government bond prices continued to slide yes-terday as investors focused on the weakness of the yen

Yields: Local market standure Technical Data: ATLAS Price Sources against the dollar on the for-eign exchange markets. The benchmark government bond issue No 129 closed on a yield of 6.865 per cent, against

8.33 8.53

6.82 per cent on Tuesday. The weakness of the Japa-nese currency is seen as ruling out any early cuts in interest rates by the Bank of Japan. Anticipation of a monetary easing had supported prices for most of this year, leaving bond prices vulnerable at current

THE Australian governmen bond market has stabilised this week after bond prices col-lapsed following the resignation of Mr Paul Keating, the

Treasurer, last week.
Mr Keating's nnsuccessfu! challenge for the Australiao premiership and subsequent departure from the govern-ment raised fears that fiscal policy would be relaxed.

At the 10-year maturity government beuchmark bond yields rose from a low of about 10.5 per cent in April to 11.25 per cent as large institutional investors liquidated portfolio holdings of government securi-

However, there are signs that confidence is returning. Benchmark yields closed at 11.10 per cent yesterday up just 1 basis point on the day in steady trading.

However, many analysts are still recommending a switch out of Australian government bonds and into other higher-

yielding markets.
For example, Deutsche Bank is recommending a switch into Canadian government honds. where it argues the political

4.5

Listed are the latest international bonds for which there is an adeq Latest prices at 6:10 pm on June 17 OTHER STRANCHTS
BAYCHSOSE VEREINS MY 194 LFY
MARCHESTORS Y 51 LFY
WORD D RAMKE 8 % LFY
ANNO BAMKE 8 % LFY
AN THE AND THE PARTY AND THE PART BELGIUM 9 1/8 92 BFCE 7 3/4 97 BRP 8 5/8 94 BP CAPITAL 9 5/8 93 AMORTEEL TRUSTOO 8 12 92 CS

MORTARIO PITORIO 10 7/8 99 CS

GUEREC PRINT 10 12 96 CS

NOVAL TRUSTOD 10 14 96 CS

SWEDEN 9 3/4 93 CS

SWEDEN 9 3/4 93 CS

RELIGIUM 9 1/8 93 ECO

CAT 7 9/8 99 ECO

CAT 7 9/8 99 ECO

CAT 7 9/8 99 ECO

CEROIT L'OTORIANS 9 93 ECO

DERBARIO 5/8 98 ECO

EER 15/8 94 ECO

EER 15/8 94 ECO

EER 15/8 94 ECO

EER 15/8 94 ECO

EER 15/8 95 ECO MIPPON YEL, & TEL, 9 3/8 93 MORDE JRY 6AMK 993 MORDE JRY 6AMK 993 MORDE JRY 6AMK 993 MORDE JRY 6AMK 913 MORDE JRY 6AMK 91 JRY 95 MORDE JRY 91 J SAMPS SUPPLY 10 7/8 95 C
SAMPS SUPPLY 10 7/8 95 C
SCANDERAY SAA EERS 13 1/8 95 C
SAMPS SAA EERS 13 1/8 95 C
ARBEY MATIONAL 0 96 M25
FELECOM W 0 05 FM 13 1/8 93 M25
AMD 7 7/8 93 FFF
COMPATI TOWNS AND 10 95 FFF
EURAY DM 7 5/8 96 FFF
EURAY DM 7 5/8 96 FFF
EURAY DM 7 5/8 96 FFF +1 4 STATES TO STATES COUNCIL ELIMINE 4 3/4 98
EDEC 5 1/2 00
EDE 5 3/4 95
ELEE DE FRAUCE 7 1/4 06
ETRILAND 5 3/8 95
EDECRAL MOTIOS 7 1/2 95
JAPAN DEV BK 5 1/2 94
JAPAN DEV BK 5 1/2 94
USEBE G NYONG 5 08
SKANDBANAYSKA DEKS 6 1/2 44444

ntiad in dollars unless otherwise Indicated. Coupon shown is a mean rate) for US dollars. Occin—The current coupon. sed in dollars unless otherwise indicated. Cay, price—thomical

INTERNATIONAL CAPITAL MARKETS

Paris' global role SEC hesitates over invitations to the options party boosted by EdF Barbara Durr explains the industry's reaction to moves towards multiple listing of equity options on market reforms that would ensure fair treatment for small invasions. The Securities and consumer fair treatment for small invasions narrower sureads to funnel their order flow to funnel their order flow to funnel their order flow. FFr3bn issue

By Tracy Corrigan

RLECTRICITE de France has latinched an innovative FFrson domestic issue, half of which will be placed internationally. It is fungible with an existing

it is fungible with an existing FFr10.8bn issue, making it one of the largest issues in the domestic bond market.

The deal marks an important step in the development of an internationally traded market in French public sector debt.

Ranks horrowers and the Banks, borrowers and the French Treasury are co-operating to foster an actively traded public sector market, along the lines of the French government bond market. The increased liquidity is expected to attract greater foreign participation and yield spreads are likely to

The FFr770bn government-bond market is already expeeded by public sector debt, which totals over FFr1,000bn. But since 1985 the French government has nurtured the growth of a very figuid market in OATs, partly by concentrat-ing on establishing large benchmark issues.

Like the Specialistes en Valeurs du Tresor (SVI), the formally listed OAT market-makers, there is to be a group-of Specialistes en Valeurs Publiques (SVP), to be decided by the four borrowers which have played a key role in the devel-

de Fer, the national railway, Crédit Foncier de France, the housing credit agency, and Credit Local de France, the local authority financing insti-tution: About 10 banks are marketmakers in the sector.

The French Treasury has pramised to extend the favourable tax treatment of government bonds (OATs) to public sector debt. This involves simplifying the process of applying

parying the process of applying for exemption from the 15 per cent withholding tax charged to non-residents.

The French franc Euroboad market has expanded in the last year or so, but has always offered poor liquidity compared with the more actively traded demestic market. The devalor. domestic market. The development has been under discussion for about a year. Some analysis said the loss of the state guarantee for French public sector borrowers earlier this transmission of the sector borrowers earlier this transmiss. public sector borrowers earlier this year was a factor, as they were keen to recover any loss in funding costs. An official at Edif said the firm has concen-trated on issuing liquid bench-marks and has eschewed the Eurofranc market because of

its lack of liquidity.

EdP has no further financing planned this financial year, which ends in December. How-ever, Société Nationale des Chemins de Fer is on the calendar for a domestic issue, and may use this structure.

France Télécom plans offering under own name

By William Dawkins in Paris

first time.

Previously, the group had issued bonds through the Caisse Nationale des Telécommunications (CNT), a government department.
It will, from now on, borrow directly on the capital markets as a result of its change in status at the turn of the year from a department of the telecom-

FRANCE Télécom, the French munications ministry to an public telephone operator, plans to issue at least FF16hn worth of bonds this year, under its own name for the first time.

autonomous public body, such as Riectricine de France (EdF).

France Télécom plans to make a first issue, of FF12bn to FF13bn, of fixed interest securities in the week beginning June 24, said Mr Pierre Hilaire, director of finance and pro-

> at FFr120.7bn, of which FFr31.9bn was in lease finance through the CNT.

FT-ACTUARIES SHARE INDICES

Exchange Commission's hesitation over plans to impose multiple listing of equity options in the US could involve yet more delays, if not a dead end.

US securities firms say they would prefer the plan for the multiple listings be thrown out altogether. They, and some top exchange officials, believe the improvements in the options markets that the SEC wanted to achieve through multiple listing have already been accomplished. Moreover, they fear the practice will create more problems than it resolves.

The SEC issued its rule, 19C-5, on multiple trading of options in 1989 and it was supposed to become effective in January 1990. But the industry said that a system to facilitate trading among exchanges would be necessary before the would be necessary before the rule could be implemented. The SEC agreed and allowed a moratorium on the start of multiple trading until a system could be devised and put in

A proposal for exchange A proposal for exchange inkege has now been submitted to the SEC by four of the five options exchanges. The proposal is expected to be published soon in the Federal Register, the US government's official publication, and comments



Chicago Board Options exchange: could be linked with other US exchanges

from the industry and public and \$10m and require up to will be sought.
The American Stock Exchange, tha Chicago Board Optione Exchange, the New York Stock Exchange and the Pacific Stock Exchange and the Pacific Stock Exchange have proposed a system to link electronically all the exchanges. The system, which will the together the antomated systems of the exchanges rather than create an entirely new layer of electronic wiz-ardry, would cost between \$8m

two years to install.

The key to the linkage system will be a "trade through" rule that will allow one market to pass along an order to another. In principle, the rule would work as follows: If an ket, but a better price can be found on another, the original receiving market can choose to match the better price or send the order to the market that

The idea behind multiple trading is that customers, particniarly retail cuetomers, would stand to receive the best price through competitive mul-tiple trading of options on vari-ous exchanges. The exchanges linkage system proposal is geared toward retail customer. orders of 10 contracts or less, though it appears to allow larger orders to be broken into lots of 10.

After the world stock market crash of 1987, the SEC was bent

investors, narrower spreads and improved market liquidity. Since 1988, the industry has put in place a series of its own reforms that have largely

accomplished these goals.

Many options firms believe that the best course of action for the SEC is to "grandfather" the allocated options, that is allow them to remain exclusive to the exchange where they now trade. They contend thet multiple trading has potential for abuse (by trading away from the main market to hide certain orders), confusion (about where to send the order) and a fragmentation of the market (that will produce inefficient multiple markets with ficient multiple markets with much wider spreads and thus

Member firms are also concerned that multiple trading could increase their costs of doing business. They may face additional staffing of all five exchange floors while the volume of business does not increase. And, the added expenses of the exchanges' new system will be passed on

They contend that prices are better where the market is deepest. Consequently, even in the multiple listings that have

NEW INTERNATIONAL BOND ISSUES

occurred since January 1990 the member firms have tended to funnel their order flow to one exchange.

The tendency to concentrate trading in one place arises from a general preference for the abilities of one marketmaker or specialist at a particular exchange. Guarantees to han-dle volume or waive fees may also influence these prefer-

The only exchange not to sign off on the proposal was the Philadelphia Stock Exchange. While it says it will accede to any SEC mandate oo multiple trading, it argues the proposed system will not increase competition or pro-vide better prices for custom-

ers.
The SEC will shortly be faced with the decision to move forward with a practice ervations about. Worth noting in this regard is thet there has been significant turnover on the commission since the multiple trading rule was

approved.

If the SEC decides to go forward, great caution is expected to be exercised by any exchange in the first "steal" of an allocated option from another exchange. One worried options trader said: "If the first stone is thrown, no one knows

PIA made a pre-tax profit of R258m, but a loss (after tax) of

Two more corporate borrowers bring deals for dollar sector

By Sara Webb and Tracy Corrigan

TWO more corporate borr-owers tapped the dollar sector of the Eurobond market yester-

Mobil Australia Finance'e \$200m issue was seen as relatively tightly priced, while a \$125m deal for Reed Publishing was described as attractively priced at a yield spread of 95 basis points above the comparable US Treasury.

Dealers said there is some

thing of a surplus of paper in the market, after several aggressively priced issues. Phillip Morris' \$250m deal, launched Tuesday, widened from its launch spread of 59 basis points to 68 basis points By the end of last year France Telecom's debts stood over the five-year US Treasury.

INTERNATIONAL BONDS

Mobil, which has a double-A moon, which has a double A rating, was launched at a spread of 41 basis points above the three-year Treasury. By comparison, Guinness, which also has an AA/AA2 rating, is trading at a spread of 66 basis points.

Goldman Sachs, lead man-ager of the Mobil deal, said Mobil has not tapped the Euro-dollar bond market for at least three years. Goldman admitted the deal had an aggressive spread, adding it had "gone reasonably well," although not all of the issue has been sold. The issue is general funding for Mobil's Australian subsid-

Reed Publishing USA's \$125m issue was seen as a reasonably priced deal, which is reted AA3/A plus. CSFB, the lead manager, said this was the third issue it has done for

Two more deals were launched in the Canadian dol-lar sector, which has absorbed a heavy volume of new issues recently. A three-year deal for Compagnie Bancaire and a five-year deal for the City of Stockbolm were both described as fairly priced. In both cases,

Borrower US DOLLARS	Amount m.	Coupon %	Price	Materity	Food	Sook runner
Mobil Australia Fin.(s)† Read Publishing(a)† Mitsubishi Finance Int.(b)† Goldstar Co.(c)§†	200 125 100 70	81° 6 6	101.161 100.92 102 100	1994 1996 2001 2006	13/1,181 13/13/ 2/14 21/14	Goldman Sachs CSFB Mitsubishi Fin.int. Salomon Bros.
FRENCH FRANCS Electricite de France(d)†	3bn	9.3	99.576	2001	1,3/34	Credit Lyonnais
CANADIAN DOLLARS City of Stockholm(a)† Compagnie Bancaire(a)†	130 125	10 ¹ 4 10 ¹ 8	101.35 100.56	1996 1994	13/1.6 13/1.15	Goldman Sachs Marrill Lynch Int.
EWISS FRANCS Arcland Sakamoto(e)★★9	23		100	1995	158/112	Nomura Bk (Switz)

one or more large orders were said to have been secured before the deals were Mitsubishi Finance Interna-

tional raised \$100m of subordinated debt, but the issue will not be actively traded.

Pakistan International Air-lines (PIA), Pakistan's state-owned carrier, has signed a

\$227m export credit deal to help finance aircraft purchases as part of a substantial revamping of its fleet.

The deal, which was arranged and underwritten by ANZ Merchant Bank and BNP, will help PIA to buy three

R132m in the 1989-90 year, due to a one-off tax payment. It has forecast a pre-tax los of R301m for 1990-91 due to the effects on air travel of the Gulf A310-300 Airbus aircraft. These are the first new aircraft that pre-tax profit of R1.03bn for PIA will buy as part of its fleet

LONDON MARKET_STATISTICS ...

RISES AND FALLS YESTERDAY

9 The Financial Times Ltd. 1991, Compiled by the Financial Times Ltd. Tue Jun 11 EQUITY- GROUPS & SUB-SECTIONS 07 | Index | Days | Vield's | Rich | Days | Index | Days | Index | Rich | Days | Index | Rich | Days | Rich stocks per section CAPITAL GOODS (186) _ 2 Building Materials (24) 3 Contracting, Construction (31)... 4 Electricals (10) 7 Engineering-General (47) 8 Metals and Metal Forming (6) 9 Motors (13) 10 Other Industrial Materials (20) 41 Business Services (12).... 42 Chemicals (21)..... 47 Water(10).... 51 Oil & Gas (19)..... 59 500 SHARE INDEX (500). 68 Merchant Bank 69 Property (40) 70 Other Financia Other Financial (20).... · 71 Investment Trústs (70) .. - 19.57 1220.12 1207.25 1204.29 1183.41. fedex 10ay's Day's Day's Jee Jee Jee Jee Mg 1 200 7

:	Fix	ED i	NTE	RES	r ,		AVERAGE CROSS REDEMPTION VIELDS	Wed Jun 12	Toe Jan 11	Year ago (approx.)
:	PRICE INDICES	Wed Jun 12	Day's change	Tee Jan 11	Accrued interest		######################################	8.97 10.11 10.11	8.93 10.09 10.09	11.16 10.88 10.84
	British Government Up to 5 years (29)	121.54				ı .	4 Medium 5 years 5 Coupers 15 years 20 years 6 69%-104%) 20 years	10.46 10.37 10.28	10.42 10.32 10.25	12,13 11,26 11,05
3	5-15 years (28) (her 15 years (9) (rredeemables (6)	135:17	-0.36	130.01 135.66 148.68	1.72	6.05	7 High 5 years	10.63 10.53 10.40 10.27	10.59 10.48 10.36 10.28	12.22 11.52 11.31 10.85
	All stocks (72)	129.12	-0.16	129.32	2.31	5.66 2.72	Index-Linked 11 Inflation rath 5% Up to 597s.	4.33 4.30	4.29 4.27	511 412
	Up to 5 years (1) Over 5 years (10) All stocks (11)	145.92	-0 28	146,54	0.83	1.89	13 Inflation rate 10% lip to 5 yrs. 14 Inflation rate 10% Over 5 yrs.	3.48 4.12	3.44 4.10	4.11 3.95
9	Dés & LemeSi).	108.85	+0.03	108.82	1.94	4.85	15 Petr & 5 years 15 Leans 15 years 25 years 25 years	11.91 11.70 11.52	11.90 11.70 11.52	12.93

Corpor Indust Finan	ration rials cial ar		inion a		reign Bond		:	3 0 185 98 11	34	59 53 57 77	1	11 15 15 15 15 15 15 15 15 15 15 15 15 1	
	atlons							11 33 71		0 40 32		9 88 52	
					- el frances (-	102		53	1	,736	
•													
		,		OND	ON RI	ECENT	155						
EQ	JITI	ES									Ξ		
Ispae Price	And at. Paid	Latest. Recenc Date	19 High	9I	s	tock '	Chosing Price	- å	Met. Div	Times Cov'd	Gross Yield	P/E Ratio	1
100	1	Ξ	208 101		Aberiarth S De. Cap Do. Units 14	dit Ler Inc2Op	195 99 285 196		M9.0	Ξ	11.4	Ξ	
\$102 \$100		=	1913	BS 是日本岛中国民人共和日	AMOUNT PRO	GES BEC 192,	106	+32	M1232	Ξ	55	-	
HEN-HO-BUSE+		1.1	146	お気景	Brockhampt Do. A Warez Do. Hon/Vtz City Marches Cantra-Quit Do. Capital Do. Zero Din	A 10p A 10p At High Yld	10年12日12日12日12日12日12日12日12日12日12日12日12日12日1		II7.5	=	9.9	=	
100 25 20		=	27	發	Do. Capital Do. Zero Dh	, Pfd. 50p	36	_	=	3	Ξ	Ξ	,
1200 385	-	=	4250000	加級	Ginte Petrol Greencore in Magchester Magchester in Martor Grp.		222 338	라마다 다	106%	- 1	18	9.4	
125	10	=	当	美宝田38	Mirror Grp. Moorgate Sr Do. Warran	Mersproess maller Co's	쁔		M4.33	2	7.7 5.0	10.2	
٠.													
_	Ξ		_	XE	INTE	REST :	STO	CK	3	_	_		
Prio	1	up Patel	Latest Resour Date	Hilgh	1991 Low		Stor			Pr	sleg for E	+ or	ļ
100 100 100		F.P. F.P.		55515	106e 971 ₂ 981 ₄ 104e 981 ₂	Brockberaptor EE Flance Bi RMC Capital 6 Shoogh Ests 8 Carmic 91gpc	M/V 9½ Lipe Grad. Lipe Com Lip Chies)	pc By F Exch. 8 Bds. 2 Cov. But Dok. 2	1996 £1 45, 2006 1006	1	25E35	444	
	•	,	- 1							-1 /	,	_	
_											_	_	
- Inne	. 14	nount.	Latest			OFFE	R\$	-		Cinci	T	_ `	
Price	. (;		Date	High	1991 Low		Stock			Pric		- ar	
12 44			=	5pm 19pm 5pm	23 ₂ pm 16pm	Angle Brited Blacks Leisur February (Lon Connects Com	20e 50e			4151 161 51		-12	
			Ξ	150m 7pm 30pm		Helpes & Ma	deed 10	d		31 ₂₁		-3 -4	1
28 33 11				21298 121298 1927	Spm Spm	Marchant Ret	110p	Op		11 ¹ 21		- 1 2	
100 8 8 11 8 11 10 10 10 10 10 10 10 10 10 10 10 10				21pm 25pm	2pm 1/spm 1/8pm	Over & Robbs Penimuna Scholl So Seets (W.J.L.) Trade Indenta	504 LJ			21 21 18			1
. 35 50 100	1 :		-1	71pm 11pm 19pm	.500 17pm	Westbery 10p	ساحيت			ינו		44	
a Ann	pelised set on c	Grident Srident Srident	à Figure on fuil G	i, per s based o apital, g	- 3,000 in prespectos Antomed dire es. F Diciden	application of the control of the co	widend ra u Fores	te peld ast or o	or psychic stimulat or other of	ing se pirt emilis icial es	of Car	eltal, Idensi IS for	۲
1990-91 Orideal	E Dh	Adend as Sad pic l 901-92	el yield i Marcel es Ni Chiedde	보는 (4 기능: 14 이 보다)	prespectus or musi garatago laid itasad an	other official M. Dhideoi : prospectos or	estimete nd yield other off	s for) based a ledal es	991, L Est o prospesis Genates for	s or all 1992	Ç G.c 2€ 35 Ç G.c	liced Richal Rs. R	
Forecast figures. Unifisced	Offen Spært	ised divi	dend, co decs of c pt. § boto	er 206 elisay: el la co	pje ratio bas Bures as a "l meglion with	ed on prospect lights", † lintro rearyantistskion	s or oth loction.	er offic i Plack or take	ial estima g price, jt per, pa it	Printer Printer Sector	Pro Fi Maction	1700 PL 2 MPL	
_	_	<u> </u>	7	RAI	OITION	IAL OP	TiO	1\$			_	_	
• FI	ret C	Pealin Pealin	95 95		June 10 June 21	Calls I	n AD	r, Bı	ervice ent We	iker,	Cn	eat	

			_	_		_	Ц	NDON		HA	D		_ (7		113			_					
Djeklos		4	CALL	Jan	Ja)	PUTS		Option		J	CATI	<u></u>		PWI!		Optio				CAL IN Se		Jus	PUTS Sep	
Alid Lyons	500		85	93			15	Otd, Biscults		38	47	55	29	6	10		Circle	24 26		0 24 3 12	29	43	13	
*5581	500 550 600	30 85	53	60 38	25 14 47	29 50	29 57	(*361.)	360		26 15	25	32	18 35	21 38	(*246 Britis	d Ges	24		3 164	2 19 2 23	2	24	, ,
ISDA	100	11	13	16	5	64	75	Uniteer	700			100	42	11	17	1,522		- 26	0	2	13	12	23	
P106)	110	24	8	끊	7 16	12	15	(743)	750 800		52 26	67 40	21 60	31 64	35 67	Dixu P210		, 20 22		8 2 4 1		8	27	
Brit. Altreay		37	-	445	٠,	24	7	(Miramar	280	16	24	34	.6	12	15	Euro		46		5 5		15	25	1 3
174)	160	19	25	29	23	15	Š	(*288)	500 330	7 2	15 6 %	24 11	45	22 45	45	(*47) Glans		50 120	_	5 30 9 100		.35 71	50	
mKI Sec	1,80	۰	15½	U2	18	15	u	Option		Amy	Nes	Feb	/	Nes	Pds	P12		125		5 7		7½ 25	36 59	
790)	750 800	57 24	80 50	98	25	50 38	23	Brit Aero	550	70	79	93	쓚	15 35	19	(*57	S10	£ 55				31	22 47	
,,,,	850	7	28	47	62	64	68	(*598.)	600 650	34 14	50 28	42	57	66	40 70	Hilla	iowa.	22	0 1	4 24	28	2	8	
ionts '386)	350	59 29	42	70 50	1	4	14	BAA (%(34.)	390 420	46 27	58 39	ē	45 ₂ 16	8½ 28	24	(~23)		24		3 12		15	17	
	390	9	23	32	19	23	26	(401)	460	912	19	47 27	40	42	47	(*24)		29 26		0 17		19	27	1
LP, *334)	300 330	39	44 22	28	15 64	15	17	BAT Inds	650 700	92 53	97 60	끻	43	10)A 30	Mid. (*216	20	20		0 27 5 14	33	1	7 17	1
	360 120	312	10	16	28	32	34		750	28	33	55	36	47	30 53) o = :	. –	•			•	2.7	•
kitish Steel *137)	130	18 10	20 18	12 %	5		. 3	BTR (*397)	360 390	49	32	43	12 29	19	10 22	Port	7,	14 16		942 1 24	벁	4	18 28	1
lass	950	3	5) 100	12	1372	40	Ods Tales	420	56	50 60	28		37	39	Reute	13	80	3	7 74	110	9	35	4
974 1	977	35	68	'n	25	38	64	Prit. Telecom (*381.)	360	282	37	43	7	35 18	1512	C623		85 14			27 ₂	36 L	59	7
			_				•		390	95	19	25%	21	24	Ø	R, R: (*159		16			145	ار 5	18	12
& Wire 521)	460 500 550	63 28	77 46	60	11	75	252	Castrury Sch (*365)	200	38 18	46 27	58 37	5 26	21	11 24	Stars (*79		7		1 15	9	13	2 5½	
ourraulds	360	6½ 44	24 56	35 64	43	48	11		390	6,5	14	22	37	39	41	THE		260		-	32	15		11
397)	390	21	36 22	45	94	17 33	20	Eastern Elec (*183)	200	4	15 72	19 11	13	15 h 29	50 31	(27)		20				10	17	-
ora, Colon	460	6½ 37	42	30	54	35 15	10	Guinness	950	70	_	120	14			Thora		70 75		5 57	67 40	18	21 43	
483)	500	12	25	34	25	多万	37 75	(*986.)	1000	36	G	87	37	40	54	T58		14		B 12		1	5년 18	
Sons	420	77	29	99	1	4	6	(*192)	100 200	15%	1812	22 12	4½ 173	18L	812	C146		16 6			-	16	5	6
490)	460 500	40	56 92	60	25	28	15 31	Haeson	200	28		284	,	~~	812	(*567)	71	21		10-5	412	912	
KW	330	27	32	42	5	16	18	(*217)	220	8	14	16	12	15	18	Wells (*613		60		5 35 5 27	60 44	40	25 50	1
347)	360 390	94	17	27	22	N S	32 54	(*334)	330	25	35	25	15	19	20			EUM	FT-6	E HIP	EX (*2	520)		
rand Met.	700	84	100	_	23	12	~	Lucas leds	140	21	25	7	4	612	84		_			2675			**	26
772)	750	44 16	60	35	12 38	27 50	33 60	(MSS)	160	72	15	16	11	16	10	CALL	199	150	103	63	30		312	
.	1250			142	23	50	50	P. & O. (*573)	550	48 25	38 31	43	15 39	24 32	27 35	Jud Ang	217 234	172	129 151	94	60 84	35	19 37	1
12901	1300 1360	77	80 50	龞	44	72	22 109	Pfiltington	160	18	25	29	84	щ	15	Sep	253	Ξ	130	-	105	= .	56 32	
	460	49	45		5			(°176) Production	100 220	8	16	19	19	22 75	27 95	Mar	355	-	285	-	225		170	
ingfisher 498)	500	19	40	78 35	18	28	33	(*235.)	240	25	18	36 24	ΙŹ	17	10	PUTS Jun	25 11	3	6	14	30			15
	550	-	19	30	55	59	60	Rocal	220 240	20 18	28 18	37	.2	15	16	Jul Ang	16	14	22 30	32	꿁	- :	109	14
dbryke 269)	240 260	큙	27	芝	16	12	16	(*229) R.T.Z.	50	39	50	27 66	28 17	25 25	27 30	Ang Sep Dec	38	Ξ	34 57	Ξ	63		110 124	٠
	280	7	16	22	16	23	26	(*560)	600	15	25	-	-	53	-	u.	60	-	80	-	115	- :	140	
510)	460 500	58 24	41	51	112	12	10	Scot. & New (*392)	390 420	19 74	30 17	37 24	19 39	22	27 45		2180			₽EX 2450			146	24
	560	34	15	25	42	42	6	Tesco	260	.=	36	49	.=	5½	64	CALLS	_							_
4.5 255)	240 260	25 7 1	30 1612	35 25	3 10	51	16	(*279) Thames	200	15	29	30	18	12	15	ادار ادار	227 245		띯	84 113	44	17 48	25 26	1
٠,	280	2		34	26	Ź	29	Water	300	12	10	24	18	20	24	Aag	262		175 194	135	99	72	49 70	3
Jasbery	330	47	58	45	1	4	6	Carr.	330	Jaj	•	13	70	40	46	Dec t			252		返	~ :		•
372)	330 340 390	22 7	男以	44 28	61 ₂₂	벎	15 29	STC	260	큭		_	₹	÷	_	PUTS	,	,	,	9	20	45	97	17
el) Tracs.	460	57	70	75	2	74	11	(°326)	300		_				-	Jul	.5	12	ij	26 37	42	ŭ.	97	ij
511)	500 550	4	42 14	50 24	8 42	20 48	22	Option 15	500	_	\$0 9		_			Sep	14 19	12 19 25	17 27 35	37 47	20 42 33 7 63	86	\$7 97 100 15), -
orebouse	110	7	12 7	15	5	8	9	Abbey Mac. (*250)	280 300	54 1	17 72	24 14	65 7 25	3 5	16 28	Dec)	_33		30	-	70	- :	37_	_
116)	120 130	2½ 15	7	10	20 20	14	16	Amstrad	60	42		Į,		35	5	Calls	2,791	Pats I	1,13	20,92				
ofale—	240		45			11	17	(64)	70	'n	4	ć.	8		ú	FT-SE	Index	4	2,012	Peris	3,982 2			
rafalgar 265)	260	31 21 31	33	58 36 36	5½ 12 24	18	27 37	Barciays	420	25	39	47	_3	16	25	*Unde	tring:	ecorli;	r pric	L f	.ceg di	nel e	phy I	H)
	280	14	0	00	29	Ħ	ρſ	(199)	460	<u>为</u>	15	28	25	39	42	همي .	-44 31					_		

BUSINESS SOFTWARE

A selection of software packages to suit your business needs appears every Saturday in WEEKEND FT.

Order your copy today.

UK COMPANY NEWS

Hambros profit passes £80m after 7% growth

HAMBROS, the merchant banking and financial services group, yesterday reported pretax profits of £80.4m in the year to March 31 1991. This was 7 per cent ahead of the

previous £75.3m.

Though Hambros' profits grew more slowly last year, Mr Charles Hambro, chairman, said the group had shown con-siderable resillence in the face of a difficult political and eco-nomic climate.

Banking profits rose to 169.2m (564.1m), of which the UK side made 257.3m (253.7m). Total provisions on banking operations for the year were 28m, including £3.5m in the second half. This figure com-pares with total lending hy Hambros of around £2bn.
Sir Adam Ridley, executive

director, said the group's per-formance reflected the stringent application of conserva-tive banking principles and adhesion to a strategic plan



Charles Hambro: group has been considerably resilient

drawn up in the mid-1980s. Retail financial services, which consist mainly of Hambro Countrywide, the group's estate agency opera-tion, incurred a loss of £800,000, down from £9.2m previously. The chain sold 37,500 houses despite declining turnover in the national housing market and a fall in property values.

Direct investments made a reduced profit of £28m (£37.1m). There was an (£37.1m). There was an improved performance from

insurance services, up to £5.2m (£4.8m), and loss adjusting which contributed £5.7m However, Berkeley Hambro Property made only £21m, well below the £3.9m of the previ-ous year, after making what Hambros describes as a conser-vative provision in its developments, and the property invest

ment portfolio was revalued, showing a reduction of 22 per Earnings per chare after dilution to include an issue of preference shares were 27p (28.9p). The dividend for the year was increased 12.8p (11.5p) with a final of 8.8p.

Cater Allen nears £8m after tax

CATER ALLEN Holdings, the City discount house and financial services group, made a profit after tax of £7.92m in the year to April 30, up a little more than 6 per cent on last time's £7.44m.

Mr James Barclay, chairman, described it as a reason-able result. "This is the highest profit we have ever made," he

Profits would have been higher still had the group not made a loss of £2.7m in the gilt-edged market. As a result, Cater Allen shut down its gilt-edged market-

Racel Telecomfin Regalien Propefin St James's Place.....fin

DIVIDENDS ANNOUNCED

Current Date of payment

making division in April.

Mr Barclay said that profits
had been evenly epread merged members' agencies were down to £192m (2.99m).
"We have been warning shareholders that the profits from
Lloyd's will diminish again between the group's core discount house activities, which made £1m despite the gilts losses, and other subsidiaries.

Profits from the group's Jersey banking subsidiary rose to £2.56m (£1.94m) and profits from Shepherds Money-brokers also improved. Some £2m was written off against goodwill on the purchase of Shepherds. Profits from Lloyd's - where Cater Allen is the eighth largest entity, owning a manage-ment agency and two recently

for

next year, but we hope it will stay in the black, said Mr Barclay.

Retained profits were £1.9m
(£3.27m). The group maintains hidden reserves, but says it has not added to them or with-

drawn from them for three years. Capital and disclosed reserves were £88.5m (£54.24m).
The final dividend was a recommended 19p, up 5.2 per cent, making 25p for the year (24.5p).

Low take-up for CSI rights issue

the industrial holding comthe industrial holding com-pany, saw a disappointing take-up of its 1-for-8 rights issue and preference placing aimed at raising £48.8m to slash the company'e debt.

The group's issue of 25.89m new ordinary shares was only 32.6 per cent taken up while the offer of 25.89m convertible preference shares was less

preference shares was less than 3 per cent subscribed. The low take-up of the convertible preference ebares

services sector. Cannon Street Investments.

makes it possible that the shares will not be admitted to

Place shows 17% rise in net assets

By Roland Rudd

THE NET asset value per share of St James's Place Capital, the successor to J Rothschild Holdings, increased by 17 per cent to 91.7p for the year to March 31.

The comparable figure of 78.6p was at September 30 1990, the month following the reconstruction of the group.
Under the demerger last
year, half of JRH'e assets were
injected into Bishopsgate Growth Unit Trust, while St James was established to run the smaller dealing and invest-

Taking into account the pro-Taking into account the pro-rated portion of the JRH group at March 1990, the net asset value rose by 2.4 per cent. St James's said that was slightly ahead of all the mar-ket indices – except the PT All-Share index which rose by

All-Share mack which rose algorithms for the profits were significantly lower at £28.2m, but that was against £57.9m for JRH in the corresponding period before the demerger. Rarnings per share were 7.4p (118a)

Mr Clive Gibson, one of St James's executive directors, said: "Its been a very difficult six months where we have felt

great caution about the mar-kets. However, we have still managed to keep ahead of the game."

Mr Gibson repeated his con-viction that long-term value for shareholders was more important than short-term

An announcement is expec-ted in the next few mouths about a joint venture.

There has been speculation about the possible move since the recent appointment of Sir Mark Weinberg, the former chairman of Allied Dunbar, who was appointed as a full-time executive director to look at the possibilities of investments in the financial

The group is recommending a final dividend of 1.5p, making a total of 3p, which as a percentage of assets is slightly higher than the yield on the FT-Actuaries Investment Treats larges as assets as a percentage of a percenta Trusts Index, as promised in the reconstruction circular.

Inchcape buy

Daiwa Europe Limited Lazard Frères & Co.

this situation with the Exchange and seek to enable the minority shareholders to Incheape, the international continue to deal in their shares. The company will prob-ably initially seek to trade the shares on a matched-bargain services and marketing group, has agreed to huy the container repair and trucking ser-vice businesses of the Atlantic

St James's | AAH falls 13% after interest charges

By Michiyo Nakamoto

AAH HOLDINGS, the diversified distribution group saw pre-tax profits fail 125 per saw pre-tax proms sain 12.5 per cent, from £32.5m to £28.7m, in the year ended March 31 1991, despite a strong performance from healthcare and environ-mental services divisions. An interest charge of £4.2m (\$500,000) was a major factor behind the fall but the group also suffered downturns in its

cyclical businesses of building supplies, consumer products and transport services. Trading profit was relatively stable at £32.9m (£33.3m) realised on turnover ahead 11 per cent to £1.12bn (£1.01bn).

Healthcare, the group's dom-inant activity, saw the largest increase with trading profit rising 9 per cent to a record 522.4m (£20.6m). Within that division increased sales to retail pharmacles offset the negative impact on the wholesale distribution business of cutbacks in NHS hospital spending, but resulted in lower marries. resulted in lower margins which brought down the profit contribution from this sector.

The other bright spot was
the environmental services

division which made a record trading profit of £3.5m (£3.2m), or 11 per cent of the total. That was despite a poor per-formance by Go Plant, its cleaning vehicles hire business which suffered from the fall to demand for road-sweeping

AAH withdrew from its Meditel medical data business in

April, deciding that the reve-

base without further cash injections. That led to an extraordinary charge of

The builders supplies division suffered a 11.5 per cent fall in sales, while high fixed overheads reduced margins resulting in a 35 per cent fall in trading profit to £3.7m.
A final dividend of 9.9p lifts ings were 29.7p (33.2p).

O COMMENT A 5p rise in the shares to 360p to greet the 12.5 per cent decline in profits is an encouraging enough signal by inves-tors of their faith in AAH's

nue therefrom was insufficient the future prospects of the to cover extension of the datagroup's mainstream healthcare businesses. AAH certainly did not escape the impact of recession in the UK with margins, particularly in its cyclical businesses, coming under considerable pressure. But over 80 per cent of the group's business is in solid, non-cyclical activities and the dominant view is that this tightly run business will emerge from its trials rela-tively unscathed to reap fur-ther benefits from a growing healthcare market. Forecast pre-tax profits of £33m this year gives it a multiple of 11, which makes the shares look good value, particularly when seen against the premium rat-ing enjoyed by others in the healthcare sector.

Midland lifts pressure on Spurs

By Jane Fuller

TOTTENHAM HOTSPUR, the north London football clnb, has been allowed to step back from the brink of financial collapse by Midland Bank, which

to wes up to film.

Overdraft facilities have been extended until May 30 next year after the submission of a business plan. The borrowings had been "on demand" for many months. many months.

The plan envisages strengthening the management, includ-ing board appointments. At present there are only two executive directors. Mr Nat Solomon, chairman, and Mr Ian Gray, chief executive. All the non-executive directors and Mr Irving Scholar, club chair-man and the largest share-

GUINNESS MAHON Holdings,

the UK merchant banking group which is controlled by

the Bank of Yokohama, is

likely to lose its Stock Exchange listing because a recent rights issue has left the

Japanese bank with 86.78 per cent of the group's enlarged

equity, writes Andrew Bolger.
Guinness Mahon said this reduced the level of shares in

public hands below the 25 per-cent level normally required by

the Stock Exchange.
The board of Guinness
Mahon said it would discuss

Guinness Mahon might

lose listing after rights

holder, date back to the period of Spurs' mounting troubles.
The closing of loss-making substdiaries and a successful season has enabled the club to keep up its interest payments of about £25,000 a week.

A condition of Midland's extended support is that debt must start to come down by January 1. Tottenham confirmed that part of the solution was to sell Mr Paul Gascoigne, even though his severe knee injury has cast doubt on his transfer to the Italian club Lazio.

The board is also in negotiations with Mr Alan Sugar, chairman of Amstrad, and Mr Terry Venables, the team man-ager. They are understood to

The rights issue raised 250m.

but acceptances of the 113m

shares at 44p were received in respect of only 66 per cent of the shareholders. The Japanese

bank was committed to sub-scribe for the remainder of the new shares. Mr Robert Max-well, the publisher who previ-

ously owned 9 per cent of the shares, did not take up his rights and has seen his stake diluted to just below 4 per cent.

The £50m from the rights issue will more than double

the E45m level to which Guinness Mahon's capital has been reduced by losses incurred

mainly because of the bank's policy of lending to the prop-erty and small company sec-

Guinness Mahon shares

have bid for the 87 per cent of the company owned by Mr Scholar and Mr Paul Bobroff, which could trigger a full take-

in a pre-Sugar approach, Mr Venables offered 60p a share for new shares. Mr Scholar and Mr Bobroff are understood to want more than the suspension price of SIP, which values the ciub at £9.3m.

Tottenham also said yester-day that it had received no for-

mal approach from Mr Robert Maxwell, the publisher who has links with Mr Scholar. Mr Maxwell would have to com-plete the sale of Derby County Football Club before the Foothall League would allow him to move on another club.

Porter Chadburn: profits slip

Porter Chadburn reported a small decline in pre-tax profits from £7.21m to £7.01m in the year ended March 29 1991, after trimming operations to focus on consumer leisure, packag-ing and distribution. The profit was struck after higher net interest costs of £1.73m (£1.13m) and came on

(£102.76m).

Consumer leisure products were adversely affected by the downturn in consumer spending but sales rose to £61.9m (£43.2m) and the operating profit went up from £3.58m to £4.98m. This includes a first time contribution of £805,000 from Gola, the footwear and sportswear brand for which it has exclusive marketing and distribution rights.

Earnings per share fell to 7.71p (8.94p) and a final divi-

BEP faces egm to force restructure-

By Raymond Snoddy

MR DAVID SULLIVAN, publisher of the Sunday Sport, is Iaunching a campaign to shake up the management of the Bristol Evening Post, a company in which he has a 10.1 per cent stake.

Last June Mr Nicholas Rid-

ley, then Trade and industry Secretary, acted on the recom-mendation of the Monopolies and Mergers Commission and blocked a move by Mr Sullivan to take a controlling interest in the group. Mr Ridley ruled that such a move might not be in the public interest.

Now Mr Sullivan plans to call an extraordinary general meeting of the company to try

to try
to force through changes in the
company structure.

The Sunday Sport proprietor
would like to become a director
of the Bristol company which
publishes the Bristol Evening
Post and the Western Morning News. He will argue that a bar rier preventing Associated Newspapers increasing its 29.9 per cent stake should be lifted. Mr Sullivan sald yesterday: "It is madness to have a poison pill. I think it should be lifted and that would gee everyone up to perform better." He denied that the motive

behind the move was to make it easier for him to sell the stake, for which he paid about

Mr Sullivan is critical of the performance of the Bristol Evening Post management and of the fact that the company owns 100 newsagents. In the six months to September prof-its fell from £4.17m to £3m,

These securities have not been registered under the Securities Act of 1934. Accordingly: subject to certain exceptions, these securities muy not be offered or sold in the United States.



Tolmex, S.A. de C.V.

U.S. \$425,000,000 9.41% Notes due 1996

Leod manager, internutional offering J.P. Morgan Securities Ltd.

Selling group members, international offering Chase Investment Bank Lift., Landon

Kidder, Peabody International Prudential-Bache Securities Merrill Lyuch & Go.

Placement agent, U.S. private placement Morgan Guaranty Trust Company of New York

JPMorgan

Swiss Bank Corporation

May 1991

These securities have not been registered under the Securities 1ct of 1933. Icondingly: subject to certain exceptions, these securities may not be offered at sold in the United States.



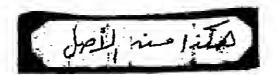
18,000,000 Class B shares, representing 5.45% of the Company and totaling U.S. \$141,000,000

The undersigned arranged the placement of these shares with institutional investors through the Mexican Stock Exchange

J.P. Morgan

InverMexico, S.A. de C.V. Casa de Bolsa

May 1991



£20m Regalian rights issue as profits stay flat

REÇALIAN PROPERTIES appointed a £201m rights issue yesterday to take advantage of opportunities which the commercial and real-days rcial and residential developer said it expected to arise from the recession. Mr David Goldstone, chair-

man and chief executive, said many of his competitors were only being supported by their banks until there was an improvement in property prizes, when he believed there would be a range of acquisition

would be a range in acquisition opportunities.

The 1 for 3 issue is at 71p per share. Regalish thares closed 7p lower at 32p.

The developer reported little change in profits and earnings for the year to March 31, but said a 10 per cent rice in direction.

faces

ucture

nd Smoody

. / · — 🛬

said a 10 per cent rise in divi-dend - Its first increase in two years was an indication of confidence in the future.

confidence in the future.

Turnover rose from £39.48m to, £51.81m but pre-tax profits were almost flat at £11.11m (£11.05m). Earnings were 8.3p per share compared with 8.33p. Net assets per share were 151p (150p). A final dividend of 2.5p. (2.5p) gives a total of 4.4p (3p). Mr Goldstone, who has allout 30, per cent of his portfolio in the residential sector, said he would be placing greater emphasis on commercial property, and would maintain the group's cautions policy of seeking to pre-sell or pre-let new projects.

On the residential side, price discounts averaging 20 per cent; which were amounced in February, had resulted in contracts being exchanged or com-pleted on 89 properties, with a further 69 upder offer — at a total value of £24.2m. This rep-resented about 20 per cent of the group's residential portio-

Mr Goldstone said he was consident that the remaining properties would be disposed of positiably in the next 18 months to two years and that

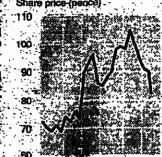
Daily Mail sees | LDDC chief little upturn after 25% drop

Pre-tax profits at the Daily Mail and General Trust fell 25 per cent in the half-year to March 31 Moreover it warned that the results for the 12 mphths would remain depressed as any recovery from the current recession would come too late to affect

The group — which includes Associated Newspapers, pub-lisher of the Daily Mail and the Evening Standard, Northcliffe Newspapers, the regional newspaper publisher, Eurono-ney Publications, and Harmsworth Media - made taxable profits of £23.9m (£32m) on turnover of £313.3m (£320.6m

restated from £311.6m). The interim dividend is

Regalian Properties



the discount found be reduced as interest rates fell.

He was also encouraged by the interest shown in the group's development of 20 lux-ury flats in Kensington Palace Gardens, where prices reach.

• COMMENT

Regalian's decision to seek a war chest came as a slight surprise to the market, but there is no doubt that the developer is better placed than most to take advantage of distressed competitors. Just like last year, all the product profits stemmed. all the pre-tax profits stemmed from interest received from Regalian's Vauxhall Crose office development in sonth London, which has been pre-sold, but one can scarcely hold a successful sale against a developer. Heavy discounts seem to have kick-started the group's residential sales in the Docklands back into life and the successful disposal of just one of the multi-million pound one of the multi-million-pound flats in Kensington would have a big impact. Forecast pre-tax profits of film next year put the shares on a prospective miltiple of 8.8, a discount to the market of more than 25 per cont. They lead attraction cent. They look attractive at that level, which is underpinned by the hefty discount to net asset value.

joins Europa Minerals board

Mr David Hardy, chairman of the London Docklands Devel-opment Corporation and for-merly executive chairman of Globe Investment Trust, has joined Europa Minerals, the mining finance company as non-executive chairman, writes Remoth Gooding. Europa recently fought off a

dissident shareholder group with a campaign in which Mr David Hood, chairman, said he would step down. Mr Hood remains an executive director of Europa

Mr Arthur Smith, Europa's new chief executive, said that as part of the restructuring programme the company had moved its London head office from premises in the West End to a cheaper location near

UK COMPANY NEWS Input from telecom side lifts Racal Electronics to £223m

RACAL ELECTRONICS, the diversified British electronics company, yesterday reported pre-tax profits for the year to March 31 of 2223.92m, slightly above expectations and up 11 per cent from £201.37m.

However, it would have. reported a loss without the contribution from its 79.9 per cent holding in Racal Telecom, the successful operator of the Vodafone callular radio network. Telecom's pre-tax profits rose 48 per cent to £244.68m (£164.78m).

Sales at Racal Electronics rose 6 per cent to £2.08bn (£1.97bn) and earnings per share fell to 8.38p (9.10p). The board recommended an unchanged final dividend of 2.66p, giving a total for the year of 3.71p (3.61p). Racal Electronics made

exceptional provisions of £25m against the cost of redundancy. severance and reorganisation, offset by a £7m exceptional

The interest charge rose ing for more than a third of rom £20.69m to £35.05m, but sales, bad provided a cushion. from £20.69m to £35.05m, but year-end debt fell £14m to £332m, bringing gearing to under 40 per cent.

Sir Ernest Harrison, Racal Electronics chairman, said the results were in line with the company's expectations at the interim stage, with the excep-tion that Data Communications had been adversely

affected by the US recession.
This division had been forced to provide against debts of £6.6m due from two customers who had sought Chapter 11 protection. Sir Ernest said the division had cut costs, 700 Jobs had gone in the last 15 months and this year's overbeads would be £12m lower.

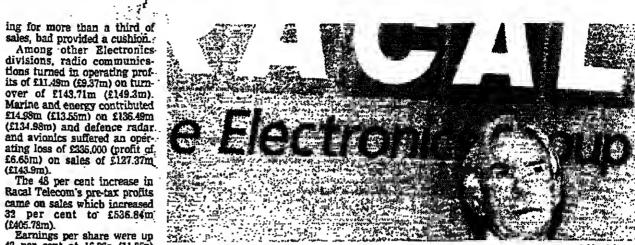
The trading profit at Racal Chubb, the security subsidiary, was 2 per cent lower at £44.9m on sales up £20m at £647.53m. The division has been hit by its exposure to the hard-hit build-ing sector, although its recurring service income, account-

Among other Electronics divisions, radio communica-tions turned in operating profits of £11.49m (£9.37m) on turnover of £143.71m (£149.3m). Marine and energy contributed £14.98m (£13.55m) on £136.49m (£134.98m) and defence radar

(£143.9m).
The 48 per cent increase in Racal Telecom's pre-tax profits came on sales which increased 32 per cent to £536.84m (£405.78m).

Earnings per share were up 42 per cent at 16.86p (11.85p) and the recommended final dividend of 2.67p gives a total for the year of 5.27p (2.45p).

In addition, the Racal Teleom board, has agreed to pay a special 5p dividend, worth about £50m, to all shareholders to facilitate its full demerger from Racal Electronics.



Sir Ernest Harrison: results met expectations, with exception of Data Communications

Racal Teleom ended the year with about £30m in net cash. Sir Ernest, Racal Telecoms's non-executive chairman, said be welcomed the demerger as it would allow the company to operate as a fully independent

public company.

Mr Gerry Whent, the chief executive, said the company had increased its margins by the service provider, by

division, and lower service pro vider incentives. The average income from each subscriber had declined from £725 to £700, but the com-pany was confident that the

Games help to limit fall at Waddington

A BUMPER year for games helped to offset the effects of recession on other parts of John Waddington, where pretax profit fell by 9 per cent in the 12 months to March 30. A fall in the taxable figure to £16.03m (£17.61m) partly arose from the lack of property gains to match last time's £2.1m exceptional profit.

Turnover declined to £227.8m

(£238.19m), reflecting disposals. Mr David Perry, chief executive, said sales at the continuing businesses rose by 3 percent and operating profit was only slightly down at £18.66m (£18.84m).

Cost cutting measures included reducing the work-force by 500 to 3,500 and shntting two factories in the recession-hit business forms section. In the packaging division, both turnover and operating profit were relatively flat at £131.39m (£129.96m) and £10.37m (£10.35m) respectively.
Mr. Perry said UK plastics had
experienced lower volume.
Jaycare, which makes tamper-proof containers for medica-

tions, staged a recovery, but a foam packaging subsidiary lost money. In the US, the plastic cutlery and glasses subsid-laries had a good year end a provious problem area showed.

a film juraround.
On the paper side, the folding carton business, serving the food sector, was moving into a new £15m factory at cent to capacity and release an 18-acre site for sale.

Labelling activities benefited

from "people turning to baked beans in recession." but was affected by lower duty-free sales of wine and spirits in the second half.
The business forms and spe-

cialist printing division saw profit decline to 14.69m (65.71m) on turnover of £69.66m

Monopoly and Cluedo, enjoyed a 29 per cent profit rise to £3.8m (£2.78m) on sales of £26.06m (£22.48m). Well over half the sales increase came from Teenage Mntant Hero sald, the craze was now dead. Interest charges fell to £2.65m (£4m), although year-end debt rose to £35m (£28m). Gearing was 54 (42) per cent after capital expenditure of

Earnings per share declined to 14.75p (16.29p). A maintained final dividend of 4.3p makes an unchanged total of 7.9p.

. COMMENT

With 85 per cent of its business in the UK, Waddington did well almost to maintain profit at its continuing businesses. It also carried on with a healthy investment programme in packaging and extended its games range through Get Set crafts and an acquisition. Its vulnerability to UK recession should again be limited this was by its fixed and games and armes and acquisition. year by its food and games re-lated parts. If it can also deliver some benefits from increased efficiency, pre-tax profit is forecast to rise to £17.5m. This gives an unde-manding prospective p/e of 12.3 on yesterday's close of 190n, in-5p. It remains at a small dis-count to the market in spite of a sharp improvement in the share price from 122p last November to 210p in April.

Redland US buy

Redland is using \$11m (£5.67m) from its £280m rights issue to expand its US concrete roof tile business through the acquisi-tion of a Californian subsidiary

tion materials group is acquir-ing fixed assets which consist of two plants at San Bernadino

of Marley.

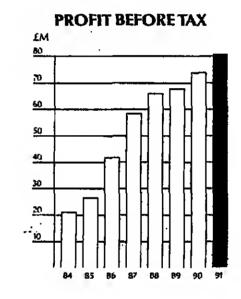
The international construc-

HAMBROSPLC

"The Group has shown considerable resilience.

Banking profits continued to grow, which shows the strength of our merchant banking business."

... Chairman



** *** RESULTS FOR THE YEARS ENDED 31st MARCH

·	1990	1991	%
Profit before tax and minorities	£75.3m	£80.4m	+7
Profit after tax and minorities	£59.2m	£58.5m	-1
Earnings per share, fully diluted	28.9p	27.0p	-7
Total dividend per 20p ordinary share	11.5p	12.8p	+11

Hambros PLC is the holding company for an international group of banking and financial services companies



The above extracts are taken from the statement by Charles Hambro, the Chairman, included in the annual report for the year ended 31 March 1991 which will be despatched to shareholders on 24 June 1991.

If you would like a copy of this report please write to: The Company Secretary, Hambros PLC, 41 Tower Hill, London EC3N 4HA.

Member of IMRO and SFA.

(£69.08m). Games, which includes and one plant in Hollister. First Leisure beats recession with 20% rise

By David Churchill, Leisure Industries Correspondent

PIRST LEISURE, the ten-pin signs that the low point of the bowling, disco, and emertain recession may have bean ments group, yesterday gave reached, he was not expecting bowling disco, and emertain-ments group, yesterday gave the leisure sector a much needed boost with pre-tax profits np by 20.3 per cent to £12.1m (£10.1m) for the six months to April 28 1991. The profits increase was

achieved on a 7.2 per cent increase in turnover to 546.9m (£43.7m), reflecting the tough times for all leisure operators earlier this year as a result of the recession and Gulf war. Mr John Conlan, First Lei-

sure's chief executive, said that the profits growth was due to "sound, professional manage-ment in a difficult market." He added that while there were

any significant upturn in trad-ing in the second half. Leading the profits growth

was a 36 per cent increase in trading profits from the ten-pin howling and anooker balls operations to £6.7m. First Leisure plans to take advantage of Inw property prices to expand its bowling operations in the south of England

south of England.

The company's nightclubs, however, had a more difficult sk months with trading profits up only 3 per cent to 27.4m. Falling admissions were in part offset by the decision not to discount entry prices.

The resorts division, which includes the Blackpool Tower, produced nnly £1.2m (£1.1m) in trading profits: the bulk of this business traditionally comes in the second half, and this year the company expects the trend towards Britons holidaying at home to give it a boost.

The interim dividend is being raised by 12.6 per cent from 1.55p to 1.745p.

. COMMENT

First Leisure has once again reassured those in the City that it is possible to make money from leisure if you adopt tight management and ignore the lure of too-rapid expansinn. With operating

margins up from 26.4 per cent to 27.9 per cent, and gearing at to 27.9 per cent, and gearing at a modest 18 per cent at the end of the half year, the company is probably the strongest placed of all purely leisure stocks at present. While chief executive John Conlan would have liked to have had a closer look at Granada's bingo business (which Granada sold of ness (which Granada sold off rather promptly to Bass last month) it seems unlikely that first Leisure would break the habits of the past decade and go for a major acquisition, such as the Coral or William Hill betting shop chains. Instead, Conlan offers more of the same: snapping up individual opportunities as they come up, which they are increasingly likely to do over the cuming months. Estimates of £34m ing months. Estimates of £34m for the full year put the company on a generous multiple of about 15%, fully reflected in the share price which closed

BOARD MEETINGS

British Fittings Group PLC 1990 RESULTS down 2p at 253p.

TURNOVER

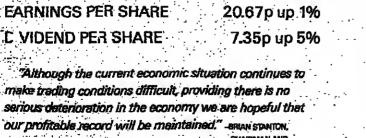
£88.7m up 22%

PRE TAX PROFIT:

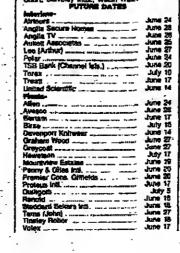
£6.2m up 7%

make trading conditions difficult, providing there is no our profitable record will be maintained." - BRIAN STANTON. CHAIRMAN AND

STANTON HOUSE, HOLYHEAD ROAD, BIRMINGHAM B21 OAF



MANAGING DIRECTOR National distributors of industrial pipeline equipment and manufactures, suppliers and hirers of high pressure water jetting pumps and accessories.



DM 75,000,000 10% Bonds of 1991/1994

with the Issuer's option to repay by delivery of shares of VEBA Aktiengesellschaft, Düsseldorf

Lesue Price:

- by delivery of thirty ordinary shares of VEBA AG, Düsseldorf, plus a payment of DM 100

Bremen and Düsseldorf

Trinkaus & Burkhard

Amro Handelsbank

Bayerische Landesbank

Hamburgische Landesbanl

nuel Montagu & Co.

reditbank Baden-Wilrttembers

Sumitome Bank (Deutschland) GmbH

Westdeutsche Genossenschafts-Zentralbank eG

Communication to the Holders of Warrants attached to the 31/2% Bonds 1986-93 of Inspectorate International Finance N.V. of US\$ 75 000 000 and unconditionally guaranteed by Adia SA, Chéserex (Switzerland)

Notice is hereby given pursuant to the terms and conditions of the above-mentioned bonds, in view of the proposed issue on July 25th, 1991, by the Board of Directors of Adia SA, Chèserex (Switzerland), of subscription rights to the shareholders and holders of participation certificates of Adia SA to acquire Adia bearer shares. Since the underlying shares consist of treasury stock as well as reserved shares owned by Adia, no new shares have to be issued.

In accordance with paragraph 4 of the terms and conditions of the warrants of the above-mentioned bonds, participation certificates of Adia SA, which give the right to receive the new subscription rights, can be acquired trough the exercise of the warrants attached to the 3½% bonds 1986–93 of Inspectorate International until

June 26th, 1991

Holders of warrants, who want to make use of this right, have to exercise their warrants until the above-mentiooed date as follows: 1 warrant-1 participation certificate of Adia SA at the price of SFr. 322... Furthermore, according to the terms and conditions of the bonds, the warrants can not be exercised from

June 27th, 1991, to August 2nd, 1991

Nonce of an adjusted purchase price, if any, to acquire participation certificates of Adia SA will be published in due time

Chéserex, June 13, 1991

Adia SA

Inspectorate International Finance N.V. £ 69 300 000

5% Guaranteed Convertible Bonds Due 1998 (The «Bonds») guaranteed by

The Board of Directors of Adia SA, Chéserex (Switzerland), has decided to issue on 25th July 1991, subscription rights to the shareholders and holders of Participation Certificates of Adia SA to acquire Adia bearer shares. Since the underlying shares consist of treasury stock as well as reserved shares owned by Adia, oo new shares have to be instead.

In accordance with Condinon 7 of the Bonds, the right of conversion of the Bonds may not be exercised (and accordingly Bonds may not be lodged for conversioo) during the petiod commeocing 25th July, 1991, and ending on the 2nd August, 1991. The right of conversion of the Bonds may be exercised from 5th August, 1991. Notice of the adjustment, if any, will be published as soon as practicable after the effective date of the adjustment.

By order CREDIT SUISSE



in accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest Period from 13th June 1991 to 13th December 1991, the Notes will beer a Rate of Interest of 6.6875% per annum. The amount of interest payable on 13th December 1991 will be US \$339.95 per US \$10,000 Note and US \$8,498.70 per US \$250,000 Note.

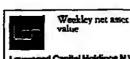
AGENT BANK: CHARTERHOUSE BANK LIMITED A member of The Securities and Futures Authority



Notice to Bondholders of CREDIT AGRICOLE USD 150,000,000 9 3/8% 1988-1993

In accordance with the Terms and Conditions of the Istue, notice is hereby given that fanque Belge Limited resigned from its capacity as smb-paying agent in Louden for the above resentioned issue as from July 17.

The Issuer



Leveraged Capital Holdings N.V.

Listed on the Amsterdam

Stock Exchange Information: Pierson, Heidring & Pierson N.V. Rokin 55, 1012 KK Amsterdam. Tel. + 31-20-5211410.

Alan Cane on the history and current standing of EDS, the new bidder for SD-Scicon

A suitor with no ace so far but size in spades

UK COMPANY NEWS

(EDS), one of the world's largest computing services companies, as a competitor to Cray Electronics for the hand of SD-Scicon, the troubled software and services house, has lifted a narrow domestic takeover battle ooto a

new plane altogether. Two weeks ago, Cray launched a hostile all-share bid valuing SD-Scicon at about £111m with a cash alternative valuing the company at some-what less. On Tuesday EDS made a cash offer valuing the company at £116m or 45p for every ordinary share. The comparison between the

two suitors could not be more

Cray is a small, independent company with new and impres-eive management but handicapped by heavy debt and a ragbag of high-tech interests resulting from its troubled past. Many thought its bid for SD-Scicon opportunistic if not downright cheeky.

Its bid remains on the table but is now effectively dead. Sir

Peter Michael, Cray chairman, said yesterday that he was not contemplating an increase in his offer. "It would be unrealis-tic to expect to be able to match the resources of EDS," he said, adding that if KDS should succeed in its bid, it would effectively mean the end of the UK-owned computing eervices sector in Britain. Among large companies, only Logica and Thorn EMI Com-puting Services would be left.

EDS is the information technology (IT) arm of General Motors of the US and turned over some £3.5bn in 1990 with

HE EMERGENCE of pre-tax profits of \$465m. It has Electronic Data Services shown some 14 years of consecutive growth and employs

61,000 people in 29 countries.
Only international Business
Machines, the world's largest
computer manufacturer, can claim to be larger in computing services. There is no question that it

is a technologically competent, well-run organisation with global capacity and the resources to manage the most complex IT projects. Its range and breadth of activities fit well with those of SD-Scicon and it is expert both

in facilities management and systems integration, which are also SD-Scicon's strengths. Its success in Europe is a measure of the dearth of com-

panies there with its expertise and management abilities. On the other hand, its image, especially in the UK, is, say a number of industry observers, "appailing". Founded by the buccaneering Mr Ross Perot, the fastest, richest Texan ever, it has in the past some-times behaved with crass inflexibility and shown a readiness to ride roughshod over local sensitivities and rules.

Its attempt to take over Log-ics in the early 1980s fell foul of government feeling that the UK-owned computing industry had to be protected.

However, the fealing is

already growing among SD-Sci-con's senior managers and advisers that if EDS is determined to buy the UK company, it will be difficult, if not impossible, to stop it. The political mood has changed sharply — as indicated by the lack of pro-



Clyde Ziegier: today's EDS is not at all the same as 1985's

The mood at SD-Scicon's Berners Street, London, head-quarters has already changed perceptibly. In contrast to the irritated derision with which it rejected Cray's bid, the official response to BDS was simply that the terms of the offer were

far too low. Mr John Jackson, the SD-Scicon chairman who agrees the company is now open to offers from a white knight, said yes-terday that the EDS bid was "unsolicited", rather than hos-tile. There was the possibility of a deal, "if they put the right offer on the table".

The takeover battle now

turns on three issues: Will EDS be prepared to pay a price which SD-Scicon feels it can recommend to its share-

 Can EDS persuade SD-Sci-con'e shareholders and staff that it is no longer the gauche and arrogant organisation of popular image?

• Will the prospect of RDS further consolidating its global leadership and extending into France force out new competi-

Mr Clyde Ziegler, KDS' UK managing director, said yester-day that the EDS offer was fair and represented the full value

of SD-Scicon. He rejected SD-Scicon's argument that value could be calculated as a multiple of earnings - on the prece-dent of recent deals. SD-Scicon

would be valued at more than 2300m using that technique. Mr Ziegler, a quietly spoken. courteons man, is far removed from the popular image of an aggressive EDS executive.

He agrees that the company made mistakes in the early 1960s when it was establishing its UK base after the acquist tion of Unilever Computer Ser vices: "We were trying to oper ate the American way in a European environment; but the EDS of today is not the same as the one of 1985." Its community activities today include the supply of PT ser-vices to the British Olympic

He said that EDS had been interested in SD-Scicon for some months but that it had been content to remain on the sidelines because of SD-Scion's intention to remain inde-pendent. The Cray bid was a disappointment: it forced us to alter our strategy and provide an alternative to that hostile bid," he said.

From July 8, British Aero-space, which holds 25 per cent of SD-Scicon'e equity and which had already committed itself to the cash element of the Cray offer unless a better bid appeared, will be free to dis-

Cynics might argue that Cray has done its work as stalking horse for BAe, which has already agreed to give Cray 5500,000 to cover the costs of mounting the bid in the event of a successful offer from

Exceptional forces Cape lower

By Clare Pearson

CAPE, the building products and industrial services com-pany which is 67 per cent owned by Charter Consolidated, yesterday announced pre-tax profits down 3.6 per cent from £17,82m to £17,14m, after a \$2.4m exceptional item. Mr Jeffrey Herbert, chairman, said the group had achieved further good progress during the year ended March 31 1991. But, with a "difficult year ahead", the company was

making more than 100 people redundant in its UK fire protecreguladar in its UK fire protec-tion board business, which had been hard bit by the recession. Such "restructuring" accounted for most of the exceptional item with the bal-ance a provision for an insulation contract in Kuwait completed before the war.

Mansfield

slips to £8m

HEAVIER interest charges and lower return from disposal of properties pulled down pre-tax profit at Mansfield Brewery in the year ended March 30 1991.

It fell from \$8.83m to \$8.04m.

Earnings per share were 38.6p (42p) and the final dividend is

8.5p for a total of 12.1p (11.3p). Turnover rose to £108.31m (£90.9m) and trading profit to

£12.5m (£11.9m). Increased profits from take-home business

and improved cost control

belped mitigate the £500,000 loss on discontinued activities, an increase in free trade debt provision, and the disruption caused by the weather in

December.
The group withdrew from the non-core businesses of Bonanza restaurants, Rainbow International carpet cleaning

franchise, and Frampton Vil-lage Cider at an extraordinary

Intercare advances

Intercare Gronp, the USM-quoted medical, optical

and dental products combine, showed rapid expansion in the

half year ended April 30 1991.

From turnover of £5.8m, against £2.35m, the pre-tax

profit rose from £169,000 to £452,000. Earnings per share doubled to 3p and a maiden interim dividend of 0.5p is

Caldwell in black

Caldwell Investments, whose activities include importing

and distributing clothing, turned round from a loss of £83,000 to a profit of £153,000 in

the half year ended April 30

Turnover Improved to

22.47m (£2.03m). Earnings cams

M&G Second Dual

M&G Second Dual Trust ended

the year to May 31 with asset value per capital share at 446.1p, an improvement from

397.83p at the half-way stage,

but down from 477.3p at the end of the previous year. The directors recommend a final dividend of 10.67p, making a total for the year of

23.78p (22.1p) on earnings per

to 1.4p (losses 1.2p).

Brewery

The final dividend is 7.5p making 10.5p (9.5p) for the

But, after a seven percentage point rise in the tax charge, earnings per share were down at 23.9p (27.7p). Mr Micheel Farebrother,

chief executive, said an impor-tant feature of last year was overseas turnover, which rose by 35 per cent to £55m, against group sales of £184.1m (£171.38m). Overseas acquisi-tions contributed to that, but about £25m of the sales were exports from the UK.

By division, operating profits of building and architectural products, including the fire protection and insulation prod-ucts, fell to £12.85m (£13.98m) on sales of £78.98m (£86.97m). But industrial services rose to

NEWS DIGEST

share of 23.79p (22.09p). Distribution from the M&G

Dividend Fund came to £3.17m (£2.95m) plus deposit interest of £474,000 (£867,000).

Philips and Drew Fund Man-agement, a subsidiary of UBS, has discretion to exercise vot-

ing rights in respect of 211,500 (4.98 per cent) of the capital

Kembrey tops £1m

in its first full year results since reversing into Coated Electrodes, Sheffield-based

Kembrey has achieved pre-tax profits of £1.06m com-pared with a previous

Earnings per share for the year to March 30 jumped to 2.56p (1.02p) and the dividend

posed 0.375p. Turnover amounted to

£22.41m (£19.81m) and operating profits £1.38m (£786,000).

An extraordinary credit of £2.42m (debit £316,000) repre-

sents profit on disposal of a freshold less costs relating to

closures, disposals and reor-

Dwyer, the property investment group, lifted its pre-tax profit by 10 per cent in the half year ended March 31 1991, from £585,000 to £844,000.

Rental income dropped to

£2.28m (£2.84m) but trading profits rose to £1.87m (£183,000). Finance costs, how-

ever, were np to £2.72m (£1.88m).

Dwyer rises 10%

£429,000.

£4.66m (£3.76m) on eales of £104.22m (£84.26m). The company spent £9.5m on new facilities during the year. Despite that, and spending £10.5m on acquisitions, net cash balances were only £1.3m

Helped by a change in accounting for pensions, cen-tral charges of £1.39m swung into a credit of £757,000. Its long running compensation payments for industrial diseases were broadly static at

lower at the end of the year at

Acquisitions during the year included Siborit, a German industrial insulation materials manufacturer, and Capel, a French insulation contractor. Cape Metal Products and Cape Vitratech were sold.

After the preference divi-dend there was a loss per ordi-nary share of 0.34p (0.64p). The interim dividend is again 1.5p.

Neotronics Technology, manu-

facturer of instruments for

measuring and medical and surgical uses, increased tax-

able profits by 20 per cent in a period of mixed fortunes.

It has decided to pay an unchanged interim dividend of 0.8p in view of the continuing

The advance from £1.25m to

21.51m in the six months to

March 31 was achieved on

sales up 6 per cent at £7.9m (£7.43m) in spite of the impact of the weak dollar during the period. Earnings per share

came though at 4.05p (3.21p).

Redwood Publishing

Redwood Publishing, a subsid-

Wardell Roberts

ended March 31 1991.

with I£2.26m.

Neotronics Tech

Standard & Chartered

Standard Chartered PLC

US\$400,000,000 Undated Primary Capital

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Determination Period from 13th June, 1991 to 9th July, 1991 the Notes... will carry interest at the rate of 6% per cent, per annum.

Floating Rate Notes.

Interest accrued to 9th July, 1991 and payable on 9th July, 1991 will amount to US\$47.85 per US\$10,000 Note and US\$478.47 per US\$100,000 Note,

> **Chartered WestLB Limited Agent Bank**

Temple Court Mortgages (No. 2) PLC

£150.000,000

Multi-Class Mortgage Backed Floating Rate Notes 2031 Class A2 Class A1

£75,000,000 £75,000,000 The rate of interest for the period 11th June, 1991 to 11th September, 1991 has been fixed as follows:-Class A1 is 11.525 per cent. per annum payable at £290.49

Class A2 is 11.675 per cent. per aunum payable at £294.27 Coupon No. 2 is payable on 11th September, 1991.

S.G. Warburg & Co. Ltd.

Agent Bank

Provisional Price for Start Poices for Trading Trading on 15,0531 on 15,0531 A near 27 per cent increase in pre-tax profit was achieved by Wardell Roberts, Dublin-based food distributor, for the year On turnover ahead 18 per cent to 1£43.12m (E£40.84m) the profit worked through to 1£2.88m, compared Earnings per share came to 10.8p (9.8p). The final dividend is 1.936p making the total 3.146p (2.86p). iary of BBC Enterprises, is unrelated to Redwood Press, a subsidiary of Gieves Group mentioned in a June 6 article.

UNITED STATES FINANCE & INVESTMENT

HET REPORT

.,..

. . . .

Salankara.

The FT proposes to publish an important survey ecocomy, markets, and investment outlook on

June 26 1991

If you are promoting your company's presence and services io the United States 10 the ioternational business community, you will want to advertise in this feature. 50% of International Financial Managers and 54% of Chief Executives in Europe's largest compa-nies read the FT. For advertising informa-tion, please call

> Mary Ellen Houck Financial Times (New York) Tel: 212 752 4500 Fax: 212 319 0704

Anna Fairfax Financial Times (London) Tel: 071 873 4167 Fax: 071 873 3078

FT SURVEYS

PUBLIC WORKS LOAN BOARD RATES

	Quota loans*							
Tenn	691	#						
1			10%					
Over 1 up to 2	10%	10 %	1034					
Over 2 up to 3	1034	103	10%					
Over 3 up to 4	10 %	10%	11					
Over 4 up to 5	10%	10%	11					
Over 5 up to 6	10%	10%	1114					
Over 6 up to 7	10%	11	1114					
Over 7 up to 8	11	11	1136					
Over 8 up to 9	11	1112	113					
Over 9 up to 10	114	1114	1112					
Over 8 up to 10	113	1115	1115					
Over 10 up to 15	113	113	114					
Over 15 up to 25	113		114					
Over 25 "Non-quote leture A ere 1 per cent higher and i than quote loters. Higher installments of princi- oqual heti-yearty payments to include princip interest only.	ion-quota los		nigher in each					

COMMODITIES AND AGRICULTURE

as Soviet credits granted

GRAIN PRICES in Chicago wleast yesterday after the White
Housa granted the Soylet
Union credit guarantees for
esti 5bn in loops, most of which
lyls expected to be spent on

The prices for maize, soya-beans and wheat all shot up as

beaus and wheat all shot up as a soon as the market opened.

Prices then settled slightly. By imid-session, July makes was up by 5 cents to \$2.4175 a bushel.

July soyalesms up by 5.5 cents to \$5.7875, and July wheat rose 4.25 cents to \$3.0275.

Grain prices had fallen in previous sessions this week following a statement Monday by Mr Martin Fitzwater the spresidential spokesman, limiting that it could be week before a decision was made on the Soviet credit guarantees.

On the strength of that earlier statement from the White House, a number of large commodity funds and other traders had taken sizeable short had taken sizeable short positions, which they were then forced to offset yesterday. "Wa've been spun out by the politicians," said Mr. Steven Bruce, a grain specialist for Geldermann. But he added that for the most part the markets had been primed for several weeks for the Soviet credits

Despite yesterday's flurry of ets are expected to buy expectations.

The republic of Bussia has been forced to slaughter 10 per cent of its cattle for lack of feed while waiting for the US grain credits, Prime Miner Ivan Silayev said yesterday, reports Reuters from

Moscow. An unspecified number of us also were killed "as a direct consequence of the delay in the decision", Mr Silayer told reporters after voting in the first Russian presidential election. presidential election.

Washington's decision to extend the credits, vacilated over for weeks, is seen as a commitment to closer US-Soviet ties and encouragement for President Mikhail Gorbachiw in his struggle to carry out seenomic reform.

activity at the Chicago Board of Trade, the main US grain exchange, grain analysts believe that full impact on the market of the Soviet credits will not become entirely clear until it is known exactly what the Soviets want to buy and

The trading floor is expecting an immediate allocation that will be roughly \$300m for maize, \$150m for wheat and \$100m for soyameal. The Sovi-

maize as feed for poultry. The price for maize is thus predicted to rise as much as 20 cents between now and July. depending on the weather, ana-

Weather has also been affect-ing crops. While crops are overall in good shape, heavy rains have kept certain areas of Illinois, Indiana, Iowa, Miss-ouri and Minnesota soaked and either prevented farmers from gatting their corn in the getting their corn in the ground or provided a breeding ground for crops diseases, espe-cially in winter wheat. The US Department of Agri-culture reported on Wednesday that it expected the harvest of soft red winter wheat to drop to 400.2m bushels, down from its previous estimate of 461m bushels. The Midwest's wet weather is holding down soft red wheat yields.

The harvest of hard red winter wheat, which is grown in more southernly areas and has escaped undue rains, is expected to do well. USDA raised its estimate of hard red vheat to 890.2m bushels from

Estimates on ending stocks for maize, at 1.6bn bushels, and soyabeans, at 350m bushels, were in line with analysts

Tobacco prices 'to rise strongly'

S. W. C.

Tary Carry

72.7

111

HIIIIII.

mining.

(19.0 m)

T. Control

rise strongly after 1995 as demand starts to outstrip supply; according to the Economist Intelligence Unit.

The crop is already an attractive one for growers; it is likely to retain its real value while other commodity prices decline in the first five years of

decline in the first five years of the decade. However, because demand and supply have greater year-on-year stability than most commodities, "the 1990-95 price trend forecast is unspectacular.

The main growth in consumption is in the Third World, which is expected to increase its take of the annual

crop from 26 per cent to 36 per cent between 1990 and 1995, growing by an average of more than 4 per cent a year. This will more than offset the falling consumption in developed countries (down 0.5 per cent a Second, unpend family labour longer life expectancy; rising year), leaving world tobacco will have to be compensated as incomes, urbanisation and part of the overall process of female emancipation. 13 per cent a year. At the same time world pro-

only LT per cent a year, leaving demand and supply roughly in balance in 1995. At that stage, the EIU suggests, two reasons emerge for supposing that a rise in real prices will be needed to ensure

ices to 1				y'	THE SHAKE-out in British Columbia's troubled coal industry continnes, with the proposed sale of Shell Canada's Line Creek mine in the southeast corner of the province. Shell has signed an agreement in principle to sell the open-nit mine to Manalta Coal
Tobacco C	onsumpti		ections		of Calgary, which already operates several mines in neigh-
	1989	1991	1903	1995	bouring Alberta. The terms were not disclosed
North America	691	687	660	670	but Shell Canada, which is 78 per cent owned by Royal Dutch
Western Europe	640	637	623	. 611	Shell; said it will take a
Eastern Europe and Soviet Union	807	806	785	769	C\$120m (£63m) loss on the sale.
South America	235	246	258	272	The mine has been up for sale
Africa.	208	227	246	270	for several months as part of
Asia	3,141	3,303	3,451	3,821	Shell's strategy of concentrat-
Others	250	260	275	. 293	ing on its oil and gas business
Total	5,971	6,168	6,318	6,506	in western Canada. Line Creek sells about 3m
Source: EIU					tonnes of coal a year. Of the
market back into beland First, higher prices with hecomes feesible to spen	ill tend cr s as it	The rep	elative to o mmodities, ort attrib	utes the	total, some two-thirds is metal- lurgical coal. The mine has export customers in Japan, Korea, the US and Britain. The mine has the advantage

market back into belance.
First, higher prices will tend
to mean higher yields as it
becomes feasible to spend more on fertilisers and crop protection. The market looks like needing yield related gains as well as increased acreage, the

Dollar auction/export prices of leaf tobacco might then be expected to rise by 7 per cent a year, according to the EIU. This would represent a 10 per cent real increase in five years and, assuming that the long term decline in the real price of agricultural commodities

continued, perhaps a 15 per

cent gain relative to other agricultural commodities." The report attributes the increase in Third World smoking to the interplay of strong social forces, not just the com-panies' promotional efforts. Factors encouraging smoking-include: rising population with

China is by far the biggest grower, with 2.48m tonnes this year, against 4,000 tennes instement of the US, the second biggest grower. However, China is effectively isolated form the world market by its inability to provide export quality tobacco. Tobacco to 1995: Consumption moves South, £175. EIU 40 Duke

Street, London WIA 1DW.

COCOA - London POX

Close Previous High/Low

Chicago grain prices leap Spaniards take Ireland's fisheries by storm

Irish fishermen accuse the Spanish of terrorising the seas, writes Kieran Cooke

A T 5am last Easter Sunday, Tomas O'Cheallaigh and his crew of four were fishing in waters about 80 miles off the coast of about 80 files on the crast of sonth-west Ireland. Their wooden hulled 60ft boat, the "Ainnir Orgha" or Sea Maiden, was the lone Irish registered trawler in the area.

In the vicinity were a number of larger, steel hulled, Spanish vessels. According to Mr O'Cheallaigh one of the Spanish boats started to come ominously close. It rammed the

"It went straight into our stern. Wa started taking water and had to put out a Mayday" says Mr O'Cheallaigh. "The Spanish boat steamed off. We were lucky to escape with our lives."

The ramming of the "Ainnir Orgha" was only tha latest incident in an increasingly bit-ter and dangerous David and Goliath battle between Irish and Spanish boats taking place

Canadian coal

shake-out

continues

By Bernard Simon in

The mine has the advantage

of contract prices with Japa-nese steel mills that are about C\$5 a tonne higher than some other south-east BC producers. The prices are not due to be

reviewed until the end of the

1992 coal year.

Low prices are forcing a sweeping restructuring of the

British Columbian industry.

Teck Corporation of Vancouver

recently took over manage-ment of the ailing Quintette mine in the north-east of the province. Esso Resources, an

Exxon subsidiary, is expected

to close its Byron Creek mine at the end of next year, having failed to find a buyer.

. . £/lonne

Ireland. It is essentially a bat-tle for control of some of the most valuable fish resources left in European Community

systems.

Spain has by far the largest number of fishing boats in the community, about 50 per cent of the EC total. By contrast, Ireland's fleet is small and outdated. Though Ireland has 16 per cent of the largest of per cent of total community waters within 200 miles of its coast, it only takes about 3 per cent of the total annual Com-munity catch.

Irish fishermen accuse the Spanish of terrorising the seas.
They say that in the past year
alone there have been at least
four rammings by Spanish
boats and countless incidents of intimidation. "The Spanish are a law to themselves and everyone seems to be ignoring the problem," says Mr O'Cheal-laigh. "Lives will be lost unless

the government or the EC do something."
One of the basic principles of the EC's Common Fisheries

authorities are either unwilling or unable to control their fish-ing industry. "Spain only has 12 shore inspectors covering all Policy is that vessels of EC states can fish within any area in community waters for specified quotas of fish. There are exceptions to the rule. A 12mile zone off all coasts is reserved to local vessels. There is also an area stretching out into the seas off south-west Ireland – called the Irish Box from which Spanish and Portuguese vessels are, for the time being at least, specifically

Mr Frank Doyle, secretary of the Irish Fishermen's Organisation, accuses Spanish vessels - mostly owned by large food companies as opposed to the mainly skipper-owned Irish vessels - of flouting EC regu-lations. "It's clear the Spanish are exceeding their fish quotas by vast amounts and threatening fish stocks," says Mr Doyle.
"As well as the big registered Spanish fleet fishing off our coasts, there are at least 200 unlicensed Spanish boats out there as well."

Mr Doyle says the Spanish

As in most areas of EC activity, the responsibility for policing the somewhat tangled mesh of community fishery regulations is left to individual governments. While the polic-ing of the North Sez is shared between various governments, Ireland alone is responsible for patrolling hundreds of miles of

its ports, whereas Denmark has 200 and the UK 150."

water stretching far out into the Atlantic. Ireland's navy is small: while it has seven patrol boats only two are operational at any one time. Three patrol aircraft have been withdrawn because of sea salt corrosion.
Mr John Nolan, head of a
fishermen's co-op in Castletownbere, County Cork, one of
the country's main fishing
ports, says the EC has to take more responsibility for ensur-ing that its own regulations

are frightened to go anywhere near the Spanish boats," he says. "Even when our navy tracks down one of their boats it can't do very much. If there is a ramming outside our 12 mile limit then it becomes a civil case and our fishermen can only take action through the Spanish courts. It's just not worth it."

The Common Fisheries Policy is due for review next year. Mr Nolan and many other Irish fishermen feel that it should be scrapped or completely overhauled. Towns like Castletownbere are totally dependent on the fishing industry. Local fishermen argue that they have the right to control the valnable resources in the seas

around Ireland. "The Spanish have fished out their own waters" says Mr Nolan. "Now we have to stand back and watch as they fish out ours. Unless something is done soon then you might as well put up a "closed" sign out-

Miners go on

Centromin

strike at Peru's

By Sally Bowen in Lima

THREE PRODUCTION units of

Centromin. Peru's state mining

giant, have gone on indefinite strike this week. A general assembly of all the company's

unions was being held yester-day afternoon to decide

Soviet aluminium fears fade

By Kenneth Gooding, Mining Correspondent

ALUMINIUM PRODUCERS yesterday were playing down the possibility that the current stream of the metal from the Soviet Union might become a torrent. Fears were raised on Tuesday when Mr Dag Flaa, vice-chairman of the European Aluminium Association, said that Soviet exports of aluminium to the West were likely to reach 1m tonnes this year compared with 300,000 tonnes in

Producers particularly stressed that, although the Soviet Union had ended barter deals with the former commnnist bloc countries, there were clear indications its exports to these countries would continne, Aluminium would be paid for in hard currencies at a discount to London Metal Exchange prices, it was

By Damian Fraser in Mexico City

PEMEX, MEXICO'S giant oil

monopoly, plans to invest \$4bn in the next five years in boost-

ing or improving the quality of production in six of its existing

refineries, according to a report in the newspaper EL Economista

Pemex plans to increase pro-

modern plants - at Tula, Salina Cruz and Cadereyta, which soon should have a com-

bined capacity of just under 900,000 barrels a day, according

to Petroleum Intelligence Weekly. Pemex will continue to invest in the three older

plants - at Minatitlan, Sala-

Soviet aluminium exports to its former East European partners reached about 550,000 tonnes last year. Mr Flaa, chief executive of Hydro Aluminium of Norway, confirmed that the Soviet export forecast he made following a recent visit to Moscow was for total sales and not just exports to the West. But he expected sales of Soviet alnminium to Eastern Europe to

fall this year.
At an EAA meeting in Brussels Mr Flaa reported that the Soviet central selling agencies had been set a 1991 export target of 800,000 tonnes and individual smelters had been allowed to retain 10 per cent of ontput for their own use. Most of this metal would also come to the west, he suggested.
Raznoimport, the salas organisation for Soviet non-fer-

manca and Madero – but only to improve the quality of their products. The refining part of

two small plants at Poza Rica and Reynosa will be shut.

On March 18 Pemex closed down the large refinery at Aza-capotzalco, which was able to process 105,000 barrels per day.

start building a replacement for the refinery, which, accord-ing to the report in El Econom-

ista, should cost between \$5hn and \$5hn. The new plant, the site for which will be chosen towards the end of this year, should process at least 300,000

barrels of oil a day.

Mexican oil giant to invest \$4bn

how much aluminium would reach the West this year. "I would not expect the difference (between the export figures for the two years) to be that great hecause total Soviet export sales were about 850,000 tonnes in 1990," a Raznoimport official told Reuters. Some confusion might arise because of re-exports of Soviet material from other eastern European countries to the West, he added. On the London Metal Exchange yesterday the alu-minium price for delivery in three months eased by \$14 a tonne to \$1,324.50. Traders suggested this was mainly a correction after Tuesday's sharp rise – of \$86 – on news that Reynolds Metals of the US

was entting ontput at its Troutdale smelter in Oregon.

Pemex, by the admission of its finance director Mr Brnesto Marcos, has underinvested in

refineries in the past decade. In particular there has been insuf-

ficient maintenance at some

refineries (such as the one at

Azacapotzalco) leading to con-

Further Pemex had invested

fittle in improving the environ-mental quality of its oils. The oil company waited until 1990 before selling unleaded petrol for the first time. In the past year, bowever, Pemex has

begun to respond to pressure from the government and envi-

cerns over the safety.

ronmental groups.

rous metal exports to the West said it was difficult to estimate

whether the remaining four mines would join in. The mines already paralysed are San Cristobal, Anday chagua, and Morococha, which are among Centromin's smaller Centromin, Peru's principal producer of lead, zinc, and silver, has become severely

decapitalised. In view of the economic and financial crisis the company had requested workers to accept temporary suspension of certain unionon benefits, such as provision of working clothing and free

"We recognise the workers' rights to these benefits," said a Centromin official, "but at present we just can't pay." Centromin is awaiting disbursement of a loan in excess of US\$100m already approved by the Inter-American Development Bank for much-needed spare parts and renovation of machinery and equipment. The money cannot be released, however, until "the support group" of friendly nations, who will cover Peru's more urgen payments to the international organisation, has been finali-

Over the past few months Centromin has reduced its around 3.000 through retirement and voluntary resigna-

MARKET REPORT Gold recovered after falling to \$368.95 a troy ounce on the London buillion market on light producer selling. It beunced back New York's Comex soured by. related fund buying in early trading. However; the prospect of gold chaltenging \$373 was uncertain in view of volatility and some fears that the Middle East buying that originally boosted gold could be reversed, Gold futures on Comex were shead at midday; traders said news that the US-was granting the Soviet Union \$1.5bn in grain-buying credit had buoyed the market because it lessened

London Markets

Dubui \$15.36-6.45 +.225

Srent Blend (defed) \$17.70-7.80 -.025

Breat Blend (Lit) \$17.90-8.00 -.025

W.T.I. (1) pre ext; \$18.75-19.65 -.025 Breut Slend (Jul) W.T.J. (1 pm est) . + or -Aluminium (free market) 1\1.07p 135.87p 87.16p -2.02* -19.54 -2.50* +3 -2.5 +2.5

Cocorus of (Philippines)\$ \$365y + 70;
Pater Oil (Najaryalan)\$ \$300a Copra (Philippines)\$ \$220a Soyabasas (US) \$225a Cotos. "A" (adam. \$2,36c -0.10 Wooltops (S& Bupar) 320p.

Rubber (Jul)♥ 55.500 +0.25 Rubber (Aug)♥ 56.000 +0.25 Rubber (KL RSS No 1 Jul) 230.0m +1.5

sales. Silver closed in London 4 cents sheed at 457.5 cents a tray ounce after reaching 462 cents earlier in the day. Declars continued to express surprise at the resilience of silver's recent gains in the face of high International stocks. They expect London robusta coffee prices eased in line with a weaker New

York market. "We saw New York drop below what was a critical level of 84.95 in near July, then dip back to 84.80. But then the locals dried up although we could soon see them having a go at pushing through next key support at 84.50 cents," one trader said.

Compiled from Reuters

BOAR - Lendon POX W (5 per tonne Close Previous High/Low Aug Oct Dec Mar May Aug Oct Aug 18.37 18.45 Sup 18.56 18.75 Oct 18.92 19.04 Nov 19.15 19.25 Dec 18.92 19.05 Jan 28.00 FE Index 18.14 18.25 17.98 17.71 18.48 16.15 18.70 18.50 19.00 18.77 18.15 18.57 19.06 19.00 167.75 184.50 189.00 189.75 184.55 187.75 180.50 180.50 180.50 17

WOOL.

At suctions in Australia this week offerings the few and demand has proved sufficient to heap prices first or slightly dearer. The market indicator rose 4 cents yesterday to 550, still below his recent peak but melitatings less weeks finnesse. Cleawhere woot restricts mesers, which were contracted at market weeks without offerings being tally described in the conjunct countries, beniesse is had to be peaking through a full, with first self-ing rose difficult to steintain. Attention is feed on how demand and supply hold in billings ment season, when grover-hald stockples are disposed of more treety.

613 646 686 719 737 759 780 612 645 686 716 737 768 776 617 607 652 642 688 681 722 714 742 736 764 755 Turnover: 5885 (8584) lots of 10 tonnes (CCC) indicator prices (801s per tonne). Daily price for Jun 11 784.05 (795.54) 10 day average for Jun 12 796.66 (795.86) COPPER - Lendon POX Close Previous High/Low 542 582 567 539 581 583 612 605 628 825 Ternover:2009 (3105) lots of 0 tonnes ICO Indicator, prices (US ceres per pound) for Jun 11 : Comp. daily 65.85 (85.79). 10 day aver-age 55.14 (65.32) POTATOSS — Lendon FOX 2/tonne 120.0 120.0 119.2 132.5 119.0 122.0 Tempyer 50 (87) lots of 40 tonnes. 138.00 139.00 141.00 139.00 141.50 r 70 (30) lots of 20 tonnes. Close Previous High/Low

Turnover 1079 (222) Wheet Close Previous High/Low 133.00 131.75 133.00 113.10 113.00 118.25 118.00 118.45 116.10 118.00 119.70 119.80 Close Previous High/Low 110.90 110.90 114.70 114.70 117.90 117.90 120.85 120.75 120.85 Turnover: Wheat 184 [148], Barley 16 (28), Turnover lots of 100 tonnes. PIGS - London FOX (Cash Settlement) p/kg Turnover:99 (217) lots of 3,250 kg MOSEL -- Leader FOX Close Prev. 140.59 196.72 141.00 140.30 141.30 140.30 140.80

Cash 1292-4 3 months 1324-5 Copper, Grade A (2 per tonne) Lead (2 per tonne) Cash 329-30 3 months 336-7 Mickel (\$ per tonne) Cesh 8095-105 3 months 8130-40 Tin (5 per tonne) Ceeh 1097-8 3 months 1114-6 LONDON BUILLION MARKET (Prices supplied by N.M.Rothschild) Gold (fine oz) \$ price 371,60-372,10 Day's high 372,90-373.10 Day's low 369.90-370.10 5.58 272,80 280,50 287,55 301,25

\$ price £ equivalent Krugerrand 371.00-572.00 225.00-225.50 Maple leaf 379.00-380.50 230.00-230.30 New Sovereign 88.50-88.50 53.50-54.00 TRADED OPTIONS 0 16 62 Jul Sep Jul Sep 550 600 660 Aug Sep Aug Sep

WORLD COMMODITIES PRICES (Prices supplied by Amalgamated Metal Trading) 1306-8 1338-2 94.852 lots 25,248 lots 8125 8170/8180 12,975 lots **New York**

GOLD 100 troy oz.; \$/troy oz. Close Previous High/Low US cts equiv PLATRUM 50 troy 02; S/troy 02. Close Previous High/Lov SILVER 5,000 troy oz. cents/troy oz.

450.0 483.0 0 449,8 451,3 454,1 457,0 465,0 467,4 473,7 479,7 485,7 492,3 455.5 463.5 463.9 472.2 478.2 484.2 490.8 HIGH GRADE COPPER 25,000 lbs; cents/lbs Close Previous High/Low 100.40 100.70 98.50 98.95 98.45 97.85 97.50 97.00 98.60

98.00 0 0

5365 5456 5006 5740 6850 5865 5866 5885 5510 Closs Previous High/Low Jul Oct Mar Mar Mar Jul Oct 8.89 8.13 8.13 8.21 8.33 8.50 8.79 8.09 8.11 6.19 8.26 8.43 84.28 78.07 73.94 74.75 75.00 75.62 85.15 79.06 74.11 74.85 75.38 75.78 ORANGE JUICE 15,000 lbs; cents/lbs Close Previous High/Low

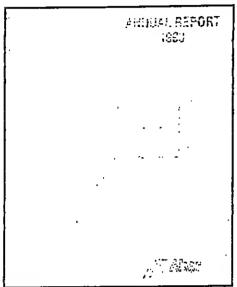
115.10 117.20 117.00 116.60 116.75 REUTERS (Base: September 18 1931 = 100) Jun 12 Jun 11 mnth ago yr ago 1747.7 1741.6 1712.5 1051.5 DOW JONES (Base: Dec. 31 1674 - 100) Jun 11 Jun 10 mnth ago yr ego

CRUDE Off. (Light) 42,000 US galls \$/barrel Chicago SOVABEANS 5,000 bu min; contr/60lb bushe Close Previous High/Low Close Previous High/Low SOYABEAN NEAL 180 tone: \$/ton 238/6 240/2 242/0 248/6 255/2 260/2 256/0 254/0 Close 301/4 306/6 316/4 321/8 314/4 304/0 LIVE CATTLE 40,000 lbs; cents/lbs 74.30 72.77 74.92

55.87 50.82 46.27 45.82 46.67 45.02 49.05 PORK BELLIES 40,000 lbs; cents/lb

European Annual Reports

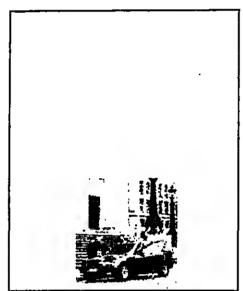
Part 2 will be featured on Friday 14th June 1991



Aker AS

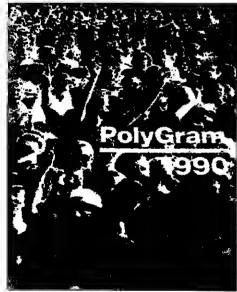
Aker is one of Narway's largest and leading industrial companies. Based on an industrial tradition going back 150 years, the business today covers two main areas; cement and cement-related building materials and nil and gas technology.

During 1990 Aker strengthened its position through significant nationalisation of its capital and organisational structure. Profit before extraordinary items increased to NOK 632 million and turbover intalled NOK 13,413 million. At the end of the year the group had some 12,400 employees.



BMW

The Driving Force for Rofined Technology; BMW, ooe of the twelve largest corporations in Germany, had a successful 1990. The world marque for dynamic and exclusive cars and momrcycles, BMW has about 5 million vehicles oo the road in more than 100 countries. Each year BMW builds more than 500,000 vebicles in its factories in Gormany. About 70,000 people research and develop, produce and guarantee BMW quality. At the start of the 1990's, the company has resumed production of aircraft engines to a joint vooture with Rolls-Royce.



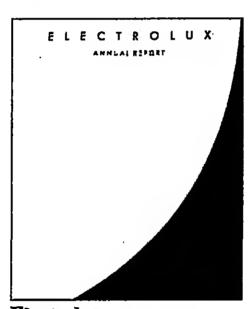
PolyGram N.V.

PolyGram N.V. - the ginbal popular and classical recorded music group - is nne of the three largest recorded music producers and music publishers worldwide. In 1990, PolyGram had record financial results with sales of NLG 5252 million, income from operations of NLG 590 million, net income of NLG 357 million, and increased its world market share to an estimated 17.5%. PolyGram is listed on the Amsterdam Stock Exchange and the New York Stock Exchange. Ticker symbol: PLG.



Alfa-Laval

The Alfa-Laval Group, a Sweden-based supplier of industrial, food processing and agricultural plants and equipment, notes an 18-percent profit increase in consolidated income after net financial items, from SEK 1,412 million (appr. \$235 millioo) to SEK L668 million (appr. \$280 million) in 1990. Net sales amounted to SEK 17,881 million (appr. \$2,980), up 17 percent. The Annual Report covers Alfa-Laval's three operating areas and its future key sectors: fnod supply, environmental protection and



Electrolux

Electrolux is one of the world's leading producers of white goods. The Group is also the largest or second largest in the world for floor-care products, absorption refrigerators for caravans and botel rooms, food service equipment, industrial laundry equipment, forestry and garden equipment and car safety bolts. Total sales in 1990 amounted in SEK 82,434m, of which the EC accounted for more than 40%. The Group has 600 companies io 40 countries and 150,900



Saga Petroleum A.S.

Saga Petroleum A.S.'s revenues in 1990 totalled NOK 3.9 billion and profit before extraordinary items was NOK 1.2 billion. Saga participates in 38 licences on the Norwegian continental shelf and is operator for 14 licences. The company participated in the Stationed, Guilfaks, Oseberg and Heimdal fields which are in production and is aperator for the Saarre field which will come on stream in 1992. Saga's reserves of nil and gas at 1 January 1991 totalled approximately 145 million tonnes of oil equivalents.



ASSI

ASSI is none of Europe's leading paper and packaging companies. We have production in Sweden, Belgium, Denmark, France, Germany, Great Britain, Italy, the Netherlands and Switzerland. The Group has 7,600 employees, of which 4,000 work outside

Group net sales totalled MSEK 7,660. Group earnings after financial items totalled MSEK 362. The economic climate darkened for several markets during 1990, and negatively affected results especially for pulp and traftliner,



Euroc is one of Europe's largest manufacturers and distributors of Construction materials, and one of the world's biggest coment enterprises through Scancem, a 50-50 partnership with Aker (Norway), with operations in Europe (Castle Cement in the U.K., among others), Africa and the U.S. Core products include cement, precast concrete products, ready-mixed concrete and aggregates, brick, roof tile and gypsum board. Important growth markets are the U.K., Germany, the Benelux countries, Spain and Portugal.



Statoil Group

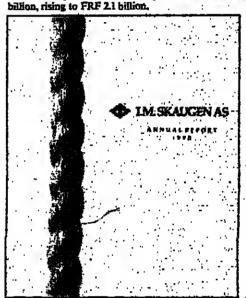
11 The Statoil Group increased its pre-tax profit in 1990 by NOK 4.9 billion to 14.4 billion, on the strength of higher oil production, increased nil prices, improved cost afficiency and lower financing charges. Net sales and other revenues increased from NOK 59.6 billion in 1989 to 72.4 billion in 1990. Income taxes and effective tax rate rose significantly in 1990, reducing the after tax profit by NOK 173 million to 4.3 billion. Reported net income for the year was NOK 3,270 billion as against 5,073 billion in 1989.



BFCE

Banque Francaise du Commerce Exteriour Two prominent features stand out in the results of BFCE in 1990: the improvement in operating income and the strengthening of the Bank's financial base.

BFCE's net banking operating income increased 6,7%, reaching FRF 1.8 billion. This advance resulted from the effect on its treasury position of the increase in capital and provisions and commercial activity. Net operating income ruse in FRF 391 million, an increase of 37.7% over the 1989 figure. Furthermore, the Bank's share capital was increased

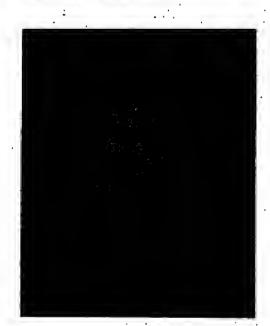


I. M. Skaugen AS

wholly or partly owned.

1.M. Skeugen is one of Norway's largest shipowning companies with traditions going back to the beginning of the 20th century, LM. Skaugen's activities are based on industrial shipping, with concentration on the following segments: small gas carriers, product carriers, contract trade with tankers/bulk carriers and lightering in the US Gulf.

By the end of 1990 LM. Skaugen had a value-adjusted equity of nearly NOK 3 billion. Its fleet totals 74 ships, of which 41 are



Swedish Telecom Group

The Swedish Telecom Group affers public and private networks for telephony, data communications and mobile telephony. In 1990, the Group's revenues totalled US\$ 650 million, up 15%. Return on total capital was 10.8%. The Group invested a total of US\$ 1,700 million. Telephone traffic rose 10.4%. Network performance was 98,9%.

Part 2 will be featured on Friday 14th June 1991

Please send me the foll	owing Annual Reports:	"I also want these Annual	Reports which were featured of	on June 14th"	Name >S
□ 01 Aker	□ 07 Euroc	☐ 13 CELCIUS	☐ 17 Orkla Boregaard AS	21 Skandia	Position
01 Alpha-Laval	07 Euroc	☐ 14 Cerus	☐ 18 PLM	21 SKF	Company
O3 ASSI	O9 PolyGram	☐ 15 CPR	19 S.E. Banken	23 SNECMA	Address
O4 BFCE	☐ 10 SAGA	16 Nobel Industries	☐ 20 SCA	☐ 24 BP	
☐ 05 BMW	☐ 11 Statoil	Sweden	•		City Country
☐ 06 Electrolux	☐ 12 Swedish Telecom				
				·	Please return coupon by August 16, 1991.

LONDON STOCK EXCHANGE

Equities give back 22 Footsie points

THE US stock market backed away from challenging the top of its trading range yesterday as investors awaited this morning's important data on domestic wage and employment trends. With Wall Street also in less buoyant form, the Lon-don market gave back some 22 points on the FT-SE scale in ... an an two harbons days section.

fairly active trading.

New York's failure overnight that if had been a fairly active

to hold above Dow 3,000 damponed anove low 3,000 dampened enthusiasm in London from the opening of trading and although there was some support at first from the stock index futures sector, share prices extended their losses later when Wall Street came in with a fall of 25 Door points. during London dealing hours.
The final reading showed the
FT-SE Index at 2,526.2 down
22.4 virtually at the lowest
level of the day. Dealers said

		5.77	
	Locount	Dealing	Dates
		Jun 17	
	Declarate n 15	des Jun 27	Jul 11
	p 14	an 28	. iui 12
Ancou	t Day: a 24	- Jai 8 -	Jul 22
- Now-4	me dealing		place trees wher.

session with a number of spe-cial situations, notably in the corporate reporting list, com-manding the attention. A large programme trade was executed at the close. Seaq-reported trading of

463.2m shares compared with 510.8m on the previous day. Some lines of stock came on offer but were readily taken up. Statistics from the London Stock Exchange disclosed that

points, customer trading volume jnmped to £1.2bn. Although Tuesday's total took in heavy purchases of Guin-Louis Vuitton, and re-investment of the money by UK insti-tutions, the customer total was

well above recent averages. The stock market was also depressed in early trading yesterday by further political worries, after the latest public opinion polls indicated increasing support for the Labour opposition party, and there were signs of increasing tensions about Europe inside the governing Conservative party. Hints in the market that ye terday's results from the Racal

electronics companies might include a rights issue unsettled the sector for a while but, in the event, proved unfounded.

cash margins have been significantly eroded by rights issues this year, and there is a belief that further funding calls might spark a reaction. The dollar's firmness proved of little benefit to international traders. Glazo closed firmly, still reflecting recent news on drug prospects rather than

more wide-ranging trading developments. But BAT Industries; BOC and Reuters gave ground, all reacting to Wall Street's renswed fall rather than to currency factors. ICI continued to give ground in tha absence of developments following the stake acquired recently by Hanson.

Optimism for an early cut in

further equity fund-raising moves continued to hover in the background. Institutional cash margins have been started. ling's weakness against the US dollar. However, the UK currency held steady against the German mark, reinforcing hopes in the London equity market that, with a UK general election possible in the autumn, a base rate cut will

not be long delayed.

Views among equity strategists on the outlook for the market remained somewhat mixed. Shearson Lehman Brothers took "e poeitive view", believing that the worst of the economic news has been seen. At Schroders, Mr Robin Aspinall said: "There is still the outside chance of a break but added that it might be a

	F	NAN	ÇIAL	TIME	.5 ST	OCK	INDIC	E5		
	June 12	June 11	June 10	June	June	Year Ago	High	Low	Since Co High	empliation Low
Government Secs	83.83	83.93	83,93	83.68	53.73	79.03	85.88 (19/2)	82.17 (2/1)	127.4 (9/1/35)	49.18 (8/1/75)
Fixed Interest	B2.94	92.94	92.98	93.52	93.42	87.57	94,84 (5/4)	90.59 (2/1)	106.4 (28/11/47)	50.58 (3/1/75)
Ordinary Shere®	1973.3	1981.1	1964,4	1955.2	1974.1	1983.2	2014.5 (5/4)	1608.3 (16/1)	2014.5 (5/4/91)	49.4 (26/6/40)
Gold Mines	207.9	209.1	201.7	195,4	182.4	179.9	209.1 (11/8)	127.0 (22/2)	734.7 (15/2/83)	43.6 (26/10/71)
FT-SE 100 Shere	2520.2	2542.6	2511.9	2505.3	2525.3	2405.4	2545.3 (5/4)	2054.8 (18/1)	2545,3 (5/4/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1181.07	1190.00	1184.49	1184.89	1188.91		1192,11 (5/6)	938.62 (16/1)	1192.11 (5/6/91)	938.82 (16/1/91)
Ord. Div. Yleid Exercing Yid %(full) OP/E Ratio(Not)(%)	4,83 8,53 14,45	4.79 8.45 14.55	4,85 8,49 14,57	4,88 8,52 14,52	4.83 8.43 14.67	4.78 10.54 11.50	1/7/55, 004	THE 12/8/5	19/26, Road int. 56. Basta 1992 F1 5/19/20, 12 88 12	T-SE 100 31/12/
SEAO Barges 4.45pm Equity Turnover(Em)† Equity Bargains†	25,724	26,882 1272.00 26,430	24,546 891.12 24,006	24,127 814.38 22,736	24,648 802.54 24,157	30,068 1214.52 30,461	GIL		June	TIVITY
Shares Traded (mi)† Ordinary Share Index, Open 9 am 16	Hourly ch		362.4 Day's Hig		_	510.5 Low 197	Bary	Edged gains	98.	B 92.8
	1.9 198				0.3 1978	5.5 197		Day aver	age 88.	.5 89.3
	am 11 2.5 263	Am 12 ; 2.9 253 nges Da	0.8 263 y's High 1	0.9 253	m 3 p 1.5 252		tExc 1.0 busi	inese & idon re est Sha	1974. ntra-marke Overseas aport ander tre index 123001	turnover. d
	TRA	DING	VO	UME	IN A	OLA	R STO	CKS	1.1	

Active trading in BTR

erra var mang

tritical design

BTE underperformed an already weak market as Mr Alan Jackson, the companya chief executive, repeated his plan to make "a major acquisi-tion", adding that it could hap pen within the next three months. The shares lost 13 to 197p on bosy turnover of 3.2m

Mr Jackson said that the packaging industry looked par-ticularly promising and traders quickly settled on Bowater as a possible target. The shares a possible target. The shares firmed 5 to 6150.

CMB Packaging rose 25 to 1513p and nearly all of the smaller packaging stocks also added a few pence.

There were some in the mar-ket, however, who preferred to bet on another often mentioned bid target: Trafalgar House. Trafs was the best performer in the FT-SE 100 yesterday

with a stain of 8 to 2650. Turn-

CU outperform

Commercial Union (CU); the composite insurer, was one of only a handful of Footsie stocks showing gains on the day, responding to two positive recommendations from brok-

The expiry of options on . equity warrants also helped. I2m shares, the shares to move upward. The figures, showing profits The options, issued five years ago as part of a SFr200m issue. expired on Thesebay, and were equivalent in about 9.7m CH shares, of which about 4m were thought to be overhang-

ing the market.

Bond holdets who took up their options to buy CU shares at 365p a share were said to have been sailing CU shares up to the expiry date.

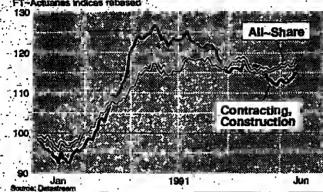
County shifted its stance on CU troop held to have and

CU from hold to buy and included the atock in its County 30 list of best buys, at County 30 list of best buys, at the expense of Ultramar, the oil stock. The broker emphasised CU's underperformance against the market, its substantial yield premium, an improvement in insurance rates and the group's hig discount to net asset value.

Robert Fleming Securities was another broking house to issue a positive report on the

issue a positive report on the stock, which it moved on to its huy list for the first time since

Mr Peter Constable at Flemings focused on the shares'



The contracting and construction sector was under renewed pressure yesterday, upset by the Bank of England's indication that it does not want to see UK interest rates fall in the next week or so. The sector's performance is closely linked to interest rates. Its constituents outperformed the all-share for much of this year until a spate of rights issues and profits warnings took the gloss off the sector. Among those raising cash via the market were AMEC, Costain, John Mowlem, Bowden, Taylor Woodrow, Alfred McAlpine and Berkeley Group.

underperformance, dividend growth potential, a £1.6bn appraisal value of its life business, and improving results from the US. At the close CU shares were 3 higher at 483p,

The Bacal "twins" attracted beavy two way trading throughout the session, with talk of a £400m-plus righte issue from Electronics putting early pressure on the shares. They dropped to 226p before stabilising and closing a net 3 off at 229p, after the preliminary figures - and no cash call - were announced. Turnover in Electronice totalled

slightly above expectations, were accompanied by further details of the demerger of the 80 per cent stake in Telecom. They were also accompanied 5p-a share dividend to Telecom holders.

Telecom shares aettled a shade up on the day at 391p, having fallen to 381p at the ontset, with dealers pleased with the dividend total, which topped most expectations.
There was also some unusu-

ally large activity in BT, much of it taking place via the inter-dealer broker screens. The shares held stubbornly around the 380p to 381p level, closing a fraction ahead at the latter price on turnover of 10m. Molynx held at 125p after Panmure Gordon, the company's stockbroker, placed a line of 661,705 shares with seven institutions at a price thought to bave been around

Electronic Data, scheduled to announce interims, next week, maintained their recent strong performance, closing another 4 firmer at a year's best of 141p.

The clearing banks fell back but merchant bank Hambros

NEW HIGHS AND LOWS FOR 1991

NEW NEGATE (1964).

ASSESSED (1964).

ASSESSED (1965).

Sovestar, Estor, General Host, Morgan (LP).

PHI, Contex Gets, Whitpool, CAMADAMS
(7) Anner, Estroich Fees, Dir Montreal, Ba.

Nova Scotta, Padeop's Bay, Deported Or,

Jaco, To-Done Ba, Bandes Gr (1980).

Ann. BERNESSED (1980).

AND Deve, (Onglisher Skyn L.) 2000, World of Lastine, Billettine, SI Jacob (1980).

AND Deve, (Onglisher Skyn L.) 2000, World of Lastine, Editorial Call (7) Black & Cocker, Editor, Deve Proc., Philips Levip.

3D-Sciton, Blaceman, TIK, Whitesatte Princips, Editor, Barrier, Child Call (7) Black & Cocker, Editor, Blaceman, TIK, Whitesatte Princips, Editorial Call (7) Black & Cocker, Editor, Bernston, Child (1980).

3D-Sciton, Blaceman, TIK, Whitesatte Princips, Child (1980).

And Law (1981).

And (1981).

Global Em. Mats. Wrmts., Gify & Contrit.
Cap., Derthy Inc., Dunedia Worlderide, SCJ.,
SFAI Income Zerr DN. PL. F & C. Smaller
Co's., Fidelity Jupen CTC Wrmts., Feroing
let. High, De. Zero DN. PL., General Oriental,
Generals Entry. Mids., Generals Malpyria
Maju Fd., JF Philipoine Fd., Jupiler Terbut
Martin, Gelierront Chanas, Korne
Liberalistica, Law Deberthers, London Azer.
Verhurs, Personal Asevat, RIT Capital,
Securities Trast Scot., Sphere Zerc DN.
PL., Tempison Em. Miss., Do. tpo Lst., G8.5
SSI Sow Valley, Ranger, Shall Trecs., 700
PL., 1809ER DB Burnis Exph., Durbut Dee,
H., 1809ER DB Burnis Exph., Durbut Dee,
H., 1809ER DB Burnis Exph., Durbut Dee,
H., 1809ER DB Burnis Legar, University Color.
SINCENSIS (1) Gellvinch, STOPERS (1) Secr.,
SRINGENSIS (1) Sellvinch, STOPERS (1) Secr.,
SRINGENSIS (1) Sellvinch, STOPERS (1) Secr.,
Merting Devo., TV-em, PROFERTY OF GROOM
JESSE, Groycost, Westpiech P. Spor.,
SHALDERIS (6) Cityvision, Europeen Lefs.,
Merting Devo., TV-em, PROFERTY (1) Lap.
TREETS SG Galadorias, Chrystot Cons., Govel
Am. Endersour, CRLS (2) Greet Western
Am. Cade A Ultranset, Misses, 1884ER (1) Parises.

moved up 13 to 286p after dealers and analysts described the preliminary figures as much better than expected.

UK base rates, damped down

Regalian Properties lost 7 to 839 after amouncing a one-for-three rights issue at 71p per share to raise £20.1m. The utilities market was upset by growing concern about the govern-ment's poor showing in recent opinion polls. Electricity distribution stocks were in the firing line yesterday, with the Pack-age retreating 55 to £2,073 on fairly high turnover equivalent to about 3m of the underlying ebares. Of the individual stocks, Norweb lost 7 to 204p and London 5 to 201p. National Power was heavily traded, clos-ing 2% off at 140p on 8.4m while PowerGen eased 1% to 148½p on 5.4m.
The Water Package, which

has endured some sizeable selling pressure in advance of the unit's demise, echeduled for July 12, was 15 off at £2,895. News that LVMH, the French luxury goods group, had increased its bolding in Guinness to 23.79 per cent left the latter 10 weaker at 986p. The two companies have an agreement to hold 24 per cent stakes in each other. On Tuesday LVMH bought more than 20m Guinness shares to com-pensate for recent dilution of its bolding as a result of the conversion of Guinness con-vertible bonds.

Boddington continued to increase its stake in its bid target Devenish, yesterday announcing it held 10.4 per cent. Boddington slipped 2 to 145p and Devenish held steady at 209p. Mansfield Brewery slipped ?

to 443n after posting a 9 per cent decline in full-year profits

Among otherwise lacklustre pharmaceuticals leaders, Glaxo firmed a penny against the trend in the wake of a long-ex-pected yen convertible bond issue. The shares emied just off the day'e best at 1248p.

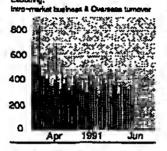
BAA dropped 5 to 434p after publishing its latest passenger figures. The company handled 7.2 per cent fewer people in May 1991 than in the same month a year earlier, although the company took solace in an improvement from April.

Tipbook bucked the wider market's trend with a gain of 6

to 481p. Traders mentioned good centiment surrounding the shares as a result of the UK government's increasing interest in rail transport invest-ment, and publicity given to the company's progress towards an ADR listing. (ADRs are the usual means by which a UK company is traded in New York.) One analyst added that the company's full-year



Equity Shares Traded



figures are due at the beginning of July, Full-year profits and a confi-dent statement from pharmaceuticals distributor AAR helped the shares once again. UBS Phillips & Drew put the stock on its buy list and the price improved 8 to 362p, making a two-day gain of 18.

tnoluding the FT-Actuaries Share Indices and London Traded Options, Page 23.



EQUITY FUTURES AND OPTIONS TRADING

DERIVATIVES markets were less excited yesterday as the underlying equity market had second thoughts about chal-lenging its all-time high. With interest rate optimism damped down by the Bank of England's actions on Tuesday, equity futures were more sub-

However, the June contract on the FT-SE Index opened well, extending its premium to around four points above fair value estimates. This helped

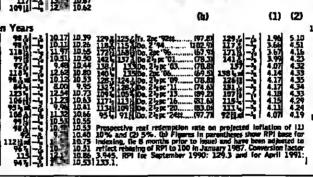
the underlying equity market stand up initially against Wall Street's relatively disappointing performance overnight. However, the premium con-tracted later and business died

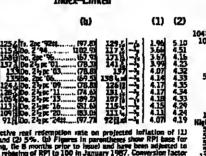
away as the market was left to the technical operators, whose interest was largely confined to rolling over positions in the Footsie contract from the June By the close of husiness in equities, the June contract was virtually in line with esti-

matee of the fair vains premium.
In traded options, there was a substantial purchase of the August straddle on the FT-SE option, which appeared to indicate that the underlying index might be in for more volatility than predicted. There was also busy trading in BTR options - after the board reiterated its intention to make an acquisition — and in Blue Circle, Asda and Trafal-

LONDON SHARE SERVICE

INT. BANK AND O'SEAS BRITISH FUNDS **BRITISH FUNDS - Contd CORPORATION LOANS COMMONWEALTH & AFRICAN LOANS** 90 84 2 5th Rhod. 87-92 Asstd..... 90 -1 **Building Societies** Five to Fifteen Years 1041₂ 1021₃ trate Amile 31₀CL 2021... 1931₂ 5.46 1071204 100, 4.25ccl. 24 1051₂ 5.06





FOREIGN BONDS & RAILS

APPOINTMENTS

Chairman of Nomura company

Mr Koichi Kane has been appointed chairman of NOMURA INTERNATIONAL, chairman, Mr. Nobuo Nakazawa, returns to Tokyo as head of the equity division of Nomura Securities.

The appointment of the new chairman marks the return to London of Mr Kane who was formerly president of Nomura International from May 1989 to May 1980 before taking up his post as head of Asia and Oceania division and head of international planning and administration department in Tokyo. Mr Kane previously served Nomura Securities International in New York for four years culminating as executive vice president.

Ms Monique Amandry has joined GOLDMAN SACHS INTERNATIONAL in London as its European communications director.

MA At BECK & POLLITZER Mr David Norton has been made operations director (share user resource). He joins from Transfleet.

Mr Colin Hope becomes.

president of the SOCIETY OF
MOTOR MANUFACTURERS
AND TRADERS following the
annual meeting. Chairman
of Ten since December 1988.

Mr Hope takes over from Mr Berck Barron, chairman and chief executive of the Ford Motor Company, who becomes deputy president.

QUILTER GOODISON, the City-based private client and fund management arm of Commercial Union, is appointing Mr James Sandilands, assistant managing director, as deputy managing director on July 1.



m Mr Robert Jordan (pictured) has been appointed a non-executive director of THE CROUP.

THE GROUP. Mr Jordan was group managing director and chief exacutive of Foseco for four years until January 1991.

M ICI has suppointed Mr Davor Pisk as the new general manager for Czechoslovakia in readiness for the creation of a wholly-owned subsidiary. ICI Ozochoslovakia S.R.O. later this sammer. He will take over from Mr Benald Moore who

is retiring. Mr Pisk has been with ICI for nearly seven years, working most recently as a marketing manager with ICI Agrochemicals in Japan.

BRABANT RESOURCES, the UK-based oil and gas exploration and production company, has appointed Mr Cameron Boyle as a non-executive director. He has wide experience of the oil : industry and was instrumental in the USM flotation of Brahant in October last year, while a director of County NatWest Wood Mackenzie.

IN SHOPS, the retail and office space management specialist, has appointed Mr Derek Hine as managing director of in Shops Centre, its principal operation subsidiary. He joins from Ranks Hovis McDougall (RHM) Retail, where he held the position of retail director.

HENDERSON UNIT TRUST MANAGEMENT has appointed assistant director. He will head an enlarged northern region including Scotland and Northern Ireland.

CITICORP VENTURE CAPTIAL has appointed Mr Hardy McLain and Mr Isia Parham directors.

Miss Janet Hargreaves has been appointed group treasurer of TRINITY INSURANCE CO.

Mr Roger Whittaker is joining COUNTY NATWEST INVESTMENT

MANAGEMENT as director and head of the UK clients group. He was a vice president and director at Bankers Trust marketing investment

BURMAH CASTROL has appointed Mr Michael B. Dearden as chief executive of the metallurgical chemicals division of its chemicals group. He takes over this role on August 1 from Mr John Griffiths who, as an interim measure, has combined it with his responsibilities as chief executive of Burmah Castrol



Mr Charles McIntyre (pictured) has been appointed as European operations director at VIRGIN RETAIL EUROPE Mr McIntyre was previously operations director at HMV. He joins a new team set on the European expansion programme of the Virgin Megas-tore concept.

YOU ARE RIGHT

You should not have to struggle to gather European company intelligence.

FT Analysis offers two page reports of vital knowledge, updated every day, on all the major companies in 18 European countries. Reports are presented in a clear and consistent way across Europe and include:

- description of business activities (including main products and subsidiaries)
- five year summary of financial statements
- · major shareholders and directors
- share price history latest announcements

The FT Analysis service also gives you access to press cuttings from all major international business publications. And allows you to search Europe for business opportunities or keep tabs on the latest moves of your European counterparts.

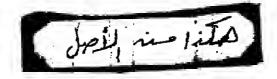
Stop struggling and call:

Paul Fomin on (071) 702 0991



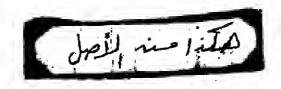
THE ANALYSIS CORPORATION PLC IBEX HOUSE, 42 - 47 MINORIES LONDON EC3N 1DY A Financial Times Group Company

(DUTI DING TIMBED POADS -	DRADERY AND CTORES OF THE	PHOTHERDING	THIRLICTETALS (Miscel) - Contd THIRLISTETALS (Miscel.) -	Courte
AMERICANS 1971	See 159 129 139	19. Gebeiler (I. 19.19. of 19.	Separate (in 1972)	######################################
65 53/lag b irish	54 401 Hoog Kong Pelecont 51 033d 4 5.0 4 12	FOOD, GROCERIES, ETC 43 106 63 104 72 73 74 75 75 75 75 75 75 75	150 11 Direct Pater X 50 149 149 175 150 150 150 170	10 421394 110 421394 120 521393 120 521393 120 521393 120 521394 120 5239 120 5239 1
105 91 105 92 105	113 80 HMSTEM 10p p 80 2.85 4.9 4.8 5.7 15	59 1124ex, Fisheries	113 99 Dean & Bower 59 97 13.75 q.18 4.60 3.0 177 62 \ String Ran 1 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	21 26 12 9 16 9 3 9 7 17 3 7 1 7 0 3 1 7 2 4 8 1 1 3 3 3 4 1 7 3 4 5 5 1 5 16 17 8 7 5 5 2 6 4 8 10 7
213 152F158 Hat. Fib. 10a. d 174 -1 15.0 1 2100f003 176 1204Hiel Collods 10p. d 374 1109 867Fuji Bank Y50 1134 018% 4 0.4 139 867Fuji Bank Y50 1134 018% 4 0.2 159 19, Astra Highs, 10p. d 375 2016Ares Hat	249 144(pojeca 10),	72 663 Policy Farm 1st 15c. 84 94.6c 2.0 3.3 15.0 11 1370 alegak Foot 50 8 28 28 40 3.4 2.7 14.9 10 3370 alegak Foot 50 9 28 28 18.15 1.7 6.1 11.0 17.6 9 bands SU 50 8 69 12.5 1.7 6.1 11.0 12.6 12.6 12.6 12.6 12.6 12.6 12.6 12.6	440 3 39ECC	1.511 78 2.359 79 2.359 79 2.379 77 2.349 22 5.409 22 5.4
ESS, 66.3 Meaning to 6 B 190. 673, 15 A 1910 Date 191. 673, 15 A 1910 Date 191. 674, 15 A 1910 Date 191. 674, 15 A 1910 Date 191. 675, 15 A 1910 Date 191.	14d 62bitiss-5p	28 113 cool lets	Bellewoody 50	2.75.3 9.2 0.8 9.3(20) 2.6 6.3 7.6 4.5 2.710.7 2.5 3.4 15.6 2.5 3.8 12.8 2.8 3.1 11 4
117 59/4 Sec Pacific \$10 \$14.2 + 1. \$02.5 2	22½ E123 With Telegram I	Continue	239 240 157 250	2.4 3.6 12.9 3.4 5.3 7.4 0.5 8.4 0.7 3.2 15.4 4.2 2.0 15.1 0.7 . 15.9 3.1 1.4 25.3
## Purchase, Leasing, etc. ### Purchase, Leasing, etc. ### 280 215Winstendam Role, ## 245,	177 194 Do. W. Zib 8 348 77.25 43 229 11.1 177 156 Pizzora 10 10 157 156 12 8.4 125 16 177 156 Pizzora 10 10 157 156 12 8.4 125 16 177 156 Pizzora 10 157 156 12 8.4 125 16 156 156 156 156 156 156 156 156 156	73 170	153 100 10	20 7.7 8.3
BEERS, WINES & SPIRITS 584 460Allied-Lyons	53 250/Riss Group 10p. 8 35 27 40 27 37 47 47 250 50 50 60 48 41 40.75 0.9 21 74 11 26 255 180/Sept Group 5.0 8 242 197.0 27 3.9 13.0 140 120/Sept Group 5.0 8 134 3.0 8.2 3.0 5.4 3.0 90 50/Sept Group 5.0 8 134 3.0 8.2 3.0 5.0 12 7 5.0 12	3 14 Nagata Ranth 2n of 2 77.35 of 1 2.6 13.9 1 15 16 15 16 15 16 16 16 16 16 16 16 16 16 16 16 16 16	100-100-100-100-100-100-100-100-100-100	24 42124 23 42158 24 42123 25 11 4 25 11 4 25 11 4 25 11 35 25 11 35 25 11 35
120 948-Borting Rape # \$588 121 941 122 123 124 124 125 12	33 16/Setrom 10a	33 13 Derinton 100 91 32 24 48 11 91 92 12 24 48 11 91 92 12 24 48 11 91 92 12 24 48 11 91 92 92 92 92 92 92	359 242 September 14	- 129
201 9 276 Macallar-Referred 19 24	281 15 Telemetriz 59, pg 25 0.6 3.3 3.1 11.0 763 600 1	Cover, Res. a	221 171,185 bit San T Satisf. 222 + 5 (2014) 4 1.1 e 143 (1)149 181, 1425 - 5	1.9 4.116.9 4.11 - 4.12 - 4.13 - 4.13 0 3.7 4.7 8.1 - 7.9 - - 7.0 -
510 599 Wolr. & Dudley	359 283 Wholester Fing Top. pl 359 49 16.62 1.7 6.2 12.7	Hotels 1/5 20 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	44- 20 20 20 20 20 20 20 20	24 29 19.1 19.55 19.1 19.57 22 B 29.49 110 21.54 26 07.68 53 08.53 53 08.53 53 21.24 25
2004 along time. 334 4.6 3.2 4.8 8.7 134 38 page page to 124 5.3 2.1 5.5 11.5 20 along page to 124 5.3 2.1 5.5 11.5 20 along page to 124 5.3 2.1 5.5 11.5 20 along page to 124 5.3 2.1 5.5 11.5 20 along page to 124 5.3 2.1 5.5 11.5 20 along page to 124 5.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5	and and a section of the land and a desired and	115AAF lors. 7/20	30 15164 Cream Fro 5 9 280 2014 1 2 2 2 15 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	49 2 1113 14 2 1113 14 2 1114 2 2 2 3 6 0 2 3 1 6 0 1 2 3 1 6 0 1 4 5 7 15 9 1 4 6 3 1 6 6



LONDON SHARE SERVICE TO THE PROPERTY OF THE P LONDON SHARE SERVICE Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help deak on 071-825-2128 Do New Wire. 19 33. SHE Man framewood the constant of the con

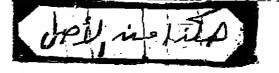
AUTHORISED .	half Com. ged Offer + or Yight Owns Price Price - Gris Sishopogate Progressive Mgmat Co U.200)F Gr	jeit Care. &d Diter or Yizhi Carp Price Price Price - Gri mmercial Union Tst Mors - Coutd. Gr	List Case. Bid Offer or Yield Case Arize Price Price - Gra A Unit Trust Mages Ltd (1898)H	int Case Sid Other or Yelle Charge Petes Penes Price - Gr's Kleinworf Beasant Unit Trusts (1400)F	Just Case. Bits Office out The Cheef Prior Prior Prior St Marks & Spencer Unit Trast Ltd (1200)F	Murray Johnstone UT March (1900)N	ing Cost. Bd gifts + g Veric. Ongs Proc Proc Acco Co. N. M. Ratheshrid Fand Magnit - Contd.
UNIT TRUSTS	55: James Place, London 53(1) 18W 077-479.811.1 **Tropietise let 54(1) 19 19 20 20.55 11.56 97 **Tropietise Acc 54(1) 19 19 20 20.55 11.56 97 **Tropietise Acc 54(2) 19 20 19 20.52 15.66 **Tropietise Acc 56(2) 19 20 1		Craffic Overant. Engineers. 2012 201946 6.A	10 Feetherth Street London EC3 Desters 071-996 1354 Desters 1071-996 1354 Desters Traine Enter Income 5 % [49 05 44 894 53 07] 4 545 85 Victors Boists 5 % [49 05 44 894 53 07] 4 546 82 Victors Boists 5 % [49 05 44 894 53 07] 4 546 82 Victors Boists 5 % [49 05 44 894 53 07] 4 747 Victors Boists 5 % [49 05 44 894 53 07] 4 747 Victors Boists 5 % [49 05 44 894 53 07] 4 747 Victors Boists 5 % [49 05 44 894 53 07] 4 747 Victors Boists 6 % [49 05 44 894 54 894	PD Em. 410, Classer 1, CPO 4 905	2 Acaper - 19073 6771 742 6771 751 Acaper Starter - 16220 63 55 76 11 77 1 Acaper Starter - 16220 11 120 6 124 64 753 43 1 Eraty Income - 51520 12 20 20 20 20 20 20 20 20 20 20 20 20 20	Hable France Schools Der Albert Cont. 5 (17 52 71 62 12 17 62 12 17 17 17 17 17 17 17 17 17 17 17 17 17
Abbey Unit Tst Mags (1000)H B0 Noteshara Rd Bournemouth 0345717373 G	GENERAL 5 133.8 134.3 143.4 13.3 PF EP Acc 5 142.9 145.6 153.7 1.33 PF crowth loc 5 83.81 83.81 88.45 0.87 crowth Acc 5 84.15 84.15 88.81 0.87	Timestaret 6 622 42 72 42 67 91 12 7 1 15	Unit Managers Ltd (1200)H Floor & Decontor St. Lauten EC2N 973 1-250 4444 Capitallier . 5 4 11 00 12 00 130 143 143 123 130 143 143 123 123 123 123 123 123 123 123 123 12	Global Jessmet - 54; 1860, 186 CB 176 GC 187 29 JACOB Uelts) - 54; 233.3 353.3 354.4 4234.53 Right Yeld 54; 110.2 118.2 125.7 4.315.71 JACOB Uelts - 55; 291.8 291.8 310.4 -0.35.77 JACOB Uelts - 55; 291.8 291.8 310.4 -0.35.77	Strength Square Column Bull 18 32 531 50 Martin Corrie Unit Treats Ltd (0905)H 48 Mirhalle St. Edemonts EUS 785 Deep 031-220 69	Statistics 31 4762 4762 92201436101 Discussion 31 4762 4762 92201436101 Discussion 31 44 44 34 07 3344 75 25 Discussion 37747 7727 7733-6010 97	Anti-Anti-C 54 (45 12 12 12 12 12 12 12 12 12 12 12 12 12
High in: Equity 6 130.5 140.3 149.2140 15.70 5 Worldende Bond 61206.9 206.94.219.3140.716.84 B Capital Growth 61206.0 204.0 218 11-1 91 22 0	Newing Original with that was a few of 1975-797-797-797-797-797-797-797-797-797-	orth Faid. 642 35 42 30 45 301-041 55 56 16 16 16 16 16 16 16 16 16 16 16 16 16		Soft Cas Dir 51, 19,70 48,71 kg 41,720 d 316 d 7. Locum Brand 56, 65,55 65 71 46,50 40 25 kg 7. Cash Accura" 16,0 91, 60 91 at 0 121 -0 111177 Cash Accura" 16,0 91, 60 91 at 0 121 -0 111177 Cash Roman Brand 9 3,4 75 43 75 43 80 244 612,0 9 Roth America 9 57, 10,0 0 10 00 65 84 6 3512,77 Roth America 9 57, 10,0 0 10 00 65 84 6 3512,77	With American (v) 51, 1976 39 80s 42,3310 3711.2	Afrik: 5 Replete Stat. Bation. Serticulai Cars. Adrik: 5 Replete Stat. Bation. Serticulai Cars. Engerver 0277 22750p. Senting 1277 221750p. Anni Engerver 0277 22750p. Anni Engerver 0200 57720p. Engerver 0200 57720p. Engerver 0200 57720p.	Physical St. Presidence PG 2005 Barrer DT 442-2415. General Eva 0733 200000 1901 - 901 - 90 537 20000 Best St. Presidence 1977 57 70 71 62 70 70 72 70 70 70 70 70 70 70 70 70 70 70 70 70
Capital Reserve Act	Britanusia Life Unit Managers Ltd (1200)F P 90 West George S. 64 ppm G2 2PA 941-332 313 US 90 West George S. 64 ppm G2 2PA 941-332 313 US 90 Macount 677 51 00 52 86 L2 465 315 Ea Grentes Co. 676 52 54 52 54 52 54 52 54 52 56 52 56 52	eric Eroman 3 42 42 2926 44 23 138 13 16 16 16 17 17 18 19 19 19 19 19 19 19	Tables	Cleckan United 9 15 175 07 77 78 78 94 10 11 27 12 12 12 14 11 11 11 11 11 11 11 11 11 11 11 11	Charter 54 90 22 97 and 97 28 90 18 4 18 4	0 Acception 9 — 54 33 of 83 0 of 92 22 (49 22) (10 of 62 20) (10 of 62	Temper preserved and the second and
Materiest 690 50 90 50 96 77 (12.82 22 D UK Granth Acc6 1984 4 1964 4 94 - 0 22 95 H UK Granth Gest 6 101 8 108 8 108 8 4 12 95 H US Emerging Cos 6 107 73 67 73 72 43 4000 - 40 US Emerging Cos 6 107 73 67 73 72 43 4000 - 40	lo (Accomi 6 62 46 62 46 66 81 404 4 4 4 4 1 4 4 6 6 6 6 6 6 6 6 6 6 6 6	op Pension Fds UT Myrs Ltd (1008)F G	urkmore Fead Managers (1200)F ristore Home, 16-18 Monument Street schn ELSR BLI UT1-782 2000 slieps mly 7277-364621 streets Services: Freesbure 0000-390 336 Green'th Treets	Genteral Valeta - 51, 370 6 241, 4 24, 2 3 1 2 3 4 4 4 2 4 3 1 2 4 3 4 4 2 4 3 1 2 4 4 4 2 4 3 1 2 4 4 4 2 4 4 2 4 4 2 4 4 4 4 4 4 4 4	Mayflower Management Co 1.1d (1.200)F P0 Box 249 Beckerkim, Kest BRB 48/A (B1.44)311 boxes 51 545 7, 345 7, 367 71:045 0 Gerbalter 51 68 24 40 25 53 3314-08150	University United 2 55, 189 022 402.00 46, 151-121 in FL Far East Sin Acc. 55, 114 08 215.00 125.00 40 06 27 664 6 F 1	Remarks On the Color of the Col
Immeratoria 1 1993 5 26 77 32.01 Heidik 3 5 1993 5 1997 5 1	16 (Accum) - 16 전 20 전 35 3 3 3 3 3 1 7 6 20 20 20 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	Box 136 Beckenhur Keni 5/0 4X8, CB1,458,961.	Rehi Georgia — 54, 154, 153, 241, 153, 261, 161, 161, 161, 161, 161, 161, 161	Matter Accum 5-1; 201.8; 204.7; 217.81-1-901.02 Pacific	Brt Leader 5/286 5 286.5 200 bids 42.6 bid Leader 3/150 3 150 3 197 7-0 11.8 Medical Investments Ltd (1.100)F 94 What Ladies Ris Sector 858 10X 227 23756 traits Food 51:17 37 77 39 8-53 140 200 Mercury Food Managers Ltd (1.000)H	Brane 51 73 77 51 417 2	For East General 5-151 M 54 91 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Abtrest Unit Trust Managers Ltd (1200H M 10 Getes Ierace, Abretee 489 101 0 0800 83580 U and 10 Getes Ierace, Abretee 489 101 0 0800 83580 U and its 6 formath 54 9 3 4 50 4 4 50 14 6 50 11 4 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Indie Pholio Acc. 6 15.1.5 15.1.3 16.1.1 4.0.0 — Program of the Green 1 6 1.0.1 7.10 7 m 12.4 44.03 14.0 15.0 m 18.0 m 18	Co Florida In No 6 17 49 17 65 180 180 180 181 182 40 181 182 40 181 182 40 181 182 40 181 182 40 181 182 40 181 182 40 182 4	phinosope 54 12.07 32.07 34.30 00.05 39 one 54 106 70 106 70 114 25 10 184 25	LAS Unit Tst Magrs Ltd (1.00034) 113 Densin S, Ediburgh ENS 869 031-590 5151 European - 91 501 5504 79 10-011132 Edita Income: 550 2224 2232 2244-022 559 Fe Est 550 2242 13.48 73 721-64 128	33 King Wallan St. ECAR 945 American Germith 51,62 4 142 4m 152,91 13,90 20 Marcan Route 51,52 1 152 1m 162,51 130 130 130 American Income 51,75 7 37 37 37 37 37 37 37 37 37 37 37 37 3	Scaler (21) 5-1, 24 49 5 37477 27-0811.61 Factor Bisled 54 7755 2855 2976-0851.61 Special Sto. 54 26 26 26 26 26 26 26 26 27 Factor Bisled 54 27 27 27 28 29 49 60 90 1 Turn 54 27 26 27 27 28 28 28 28 28 28 28 28 28 28 28 28 28	16-22 Western Rd, Ren' and 1917 3-18 Capital His 2 Februar 50, Let Lerge 141 19-5 Filtertrain 300 - Legislace or Active 121 221 4702 Rener late 6 Legisl 50 154 71 54 71 34 70 4 70 7 7 44 Rener Series 6 154 154 74 6 7 7 6 7 7 6 7 7 6 7 7 6 7 7 7 7 7
External factories 1/4 171.1 171.1 121.2 40 114.67 62 62 62 63 63 63 63 63	emma	Larkam Gorth 6 25 51 26 51 20 35 40 12 1 18 HK dr F 22 25 83 25 83 25 35 11 18 Am represe 6 131.6 131 6 140 7 0 140 1 92 Am	H & Incl Ros 54, 62.52 67.524 72.41 62.81.30 6 6 for reasonal 54, 189,04 to 64 41.54 61.30 1.30 reviews 54, 182,04 to 64 41.54 61.30 1.30 reviews 544 12.54	Income & Gorth 5 65.02 for 80 63.05-14 144 10 145 Gorthon .55, 29 15 00.04 25,00 46,110.03 145	Escupean Incestre 5 66.99 66.50 71 29 -004 4.66	US Smaller Cas 9 5 5 1 1 5 4 6 2 5 6 1 6 4 7 6 6 6 10 00 National Provident Inv Myrs Ltd. (2,406) H 48 Gracetarch St. ECJP 3 1 1 1 071, 423,4200	Communication — 57: 48 - 20 on 1 Tollar 7 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Partit 54, 38 70 38, 73 41, 494, 470 51 11 78 79 79 79 79 79 79 79 79 79 79 79 79 79	### ### ### ### ### ### ##############	place 6 247,7 247,7 256 0 42 4 0 0 90 at Equity . 6 32 47 32 65 36 11 10 15 2 67 but the sectional Tel Manager 1 to 00 90 0 15	Transland leafer 13, 96 58 96 58 101.13 40.46 74 74 1565 - 34 110.71 111.91 117.18 - 0120 89 75 100	L & C Unit Tot Magnet Ltd (0905)F Broadwalk the, 5 Apolel S. ECA 200 071-398 2200 Income	Accomplated 5 79 27 74 37 94 96 10 96 40 6 76 97 31 14 17 4 10 17 17 14 17 17 14 1	App Energonn Acc. 377 AP 749 77 50 1249 18 18 18 18 18 18 18 18 18 18 18 18 18	Cannot transfer 9 11 to 7 1 for 1 of 170 1 of 1 of 1 to 1 to 1 to 1 to 1 to 1 to
1 White Hart Val London Bridge SET 1NX 071-407-5966 B. Ethical Val. 5 101 0 101 or 111.1 - 11.54 11 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 4 104 40 113.4 15 Ethical Val. 6 101 401 40 113.4 15 Ethical Val. 6 101 401 40 113.4 15 Ethical Val. 6 101 401 40 113.4 15 Ethical Val. 6 101 40 113.4 15 Ethical Val. 6 101 4	SSL Botolph Street, Landon EC3A 7JJ 071-247,4542 De	Dearles U Street, Lorder 5 50/14 620 677 839 8711 80 0000 80 0000 80 123 9 123 9 120 9 120 120 120 120 120 120 120 120 120 120		1 White Hart Yard, SEI scare & Greek in - 5\1 44 86 45, 49 49 401 40 15 61 Laternerian Unit Test Margart Ltd (1280)H Laternerian He, Barresond, Génecuter GL4 782 Emples 0423 271500 Dealing 0423 271423 Growth Treet	(Acam Units) 5 60.71 63.00x60 0x1-0076.67 High interest 5 43.02 43.02 45.26-0017 7: Accom Units 5 58.90 58.03 61.05-6017 7:	Review Fund Mingrs Ltd (12000) 2 Lundon Bridge, SE2	Agent Crowth 5 (1994) 11:2 11:6 160 5 4 1694 11:2 11:6 160 5 5 6 1694 11:2 11:6 160 5 6 1694 11:2 11:6 160 5 6 1694 11:2 11:6 160 5 6 1694 11:6 16
\$ Rayleigh Rd, Hatton Esser UR Cardy Examer 6.56 29 62 04 66 00 00 00 00 00 00 00 00 00 00 00 00	maller Cor	untersected Fund Manest Ltd (1000)F Whee Hart Vd. London Bridge SEI JUN: 471-407 5966 For an American Longon Bridge SEI JUN: 471-407 5966 For an American Longon Bridge SEI JUN: 401-407 5966 Abortista Acc. 5178 Do 78.854 86 0111.1844 43 Gaintello Unit Tst Miners Ltd (1400)H	Topean 0 184 30 10 20 10 20 20 20 20 20 20 20 20 20 20 20 20 20	Librarilan Re, Barrissoni, Giorcetter ist. 4 772. Empiries 1952 371500 D. Dunling 1952 371623 Growth Treat	Record Units \$65.16 65 16 69 41 4133 33 Record \$665 9 245 94 262 3 3.90 Pages Units \$665 296 54 114 5 3.90		Seniter On Inc. 5() 1975 4 2023 1 2 (e. 2) 444 (e. 2) 5. Z. Adala 3 (e. 2) 18 265 (e. 2) 5. Senial Statemen 5(e. 2) 18 265 (e. 2) 5. Senial Statemen 5(e. 2) 18 265 (e. 2) 5. Senial Statemen 5(e. 2) 18 26 2 18 5 (e. 2) 18 2 18 2 18 2 18 2 18 2 18 2 18 2 1
Arges Unit 1st Mingritt Life (1400)	herr Dates Get. 114 (6), 11 6, 112 63 921 17 02 67 CFF Foster Brailforwalthe UT Mengt. (1,100) F 64 White Horr Yard, London SEL 187 07, 407, 5966 to Francisco CFF 187, 100 550 550 570 477, 507 506 500 500 500 500 500 500 500 500 500	THE Gett. 5 189 8 187 8 207 5 +0 213.64 Car Proper Gettr 9 5 173 4 172 4et 184 5 +0 9 10 28 UK orne 5 160 1 165 1 170 7 +0 3 15 74 UH	9 Term Batturer 6 to 5.96 67.20 71.49 888 - 11.00	Lazard Unit Tst Mingrs Ltd (1200)F 23 Mayrfield, London ECP 2141 077-374 5916 W Capital Jenet 11 - 07 247 7274 7 7 7 5 1 1 3.70 In leaf Senth Jenet 11 - 07 247 7 774 7 7 7 5 1 1 3.80 W Kegner, Senth Jenet 11 - 07 247 0 247 0 247 1 3.40 W Kagna De Jenet 11 - 07 247 0 247	UK Smaller Dr. 5 00 80 41 10 93 841 8072 94 40 40 40 40 40 40 40 40 40 40 40 40 40	100 Sanata Core 4 193 84 87 23 92 801 0 11 69	Schrader Unit, Trests Ltd 174001F 33 Gener Law, Louis ECV 645 Public Sty. 071406 8508 Boder 012 071406 0033 lightly Funds Schreder V. Schrade Unit 4 50 100 50 76 20 76 10 10 10 10 10 10 10 10 10 10 10 10 10
CAMACI IN Recey for . \$45.27 44.16 46.28 10000 03 CAMACI IN INFORMATION . \$15.56 44.77 44.06 40.04 10.03 CAMACI IN INFORMATION . \$15.56 44.77 44.06 40.04 10.03 CAMACI INFORMATION . \$15.52 44.72 40.04 10.0	07 Set Inv Tra Acc. 5-5 51.41 53.46 37 10 40 (2) 17 Env 7 Set Bu Suc Con 5 to 5 11 52.65 56.60 1.50 7 Set By Sub Con 5- 51.50 53.05 56.44 - 1.50 E3	empt 3110 4 110 4 115.51 .D 41 ind PEL Unit Tst Mogrs Ltd (1400)H Settille Gescoot, Edisborch 0245-090 526 - 1510 56 88 55 94 08 10 28 - 1511 8 115 74 122 9 1000 24 4	mi marrett	77 Aur Gel Jan 114 - 11 50 66 59 66 65 13 15 73 Jan & Ng Ch Jane 11 - 10 50 66 59 66 65 13 15 73 Jan & Ng Ch Jane 11 - 10 66 52 65 78 61 15 73 Jan & Ng Ch Jane 11 - 10 66 72 65 78 65 65 65 65 65 65 65 65 65 65 65 65 65	Mertin Jupiter Unit Txt Ngrs Ltd (0905)F 197 Kalahtshridge Lorios SW7 188 071-501302 American Cap 5134 4 134 0 147.8 077 - Incant 5 501 44 66 50 92 30 d 144.9 Research 5 Search 115.7 115.7 123 0 402.4 9	Part European 4 69.53 % Chatrist 91 - 0.07 2 22 Pm Reservices 61.11 62 12 13 64 10 65 0 4 55 2 20 Pm Reservices 61.11 62 12 13 64 10 65 0 4 55 2 20 Pm Reservices 61.11 62 12 13 13 10 64 10 10 7 10 10 10 10 10 10 10 10 10 10 10 10 10	Ametalitat 9.4 (200 Tr. 21) 6: 119 201.3 [12] 46 (40 Carrott Health 5 4 (200 H) 120 50 130 61 (40 C) 100 (60 C) 40 (10 C) 100 (60 C) 40 (10 C) 40
B' lettair Profit Int _ ol 45 PP 46.36. 49 65-6123.49 CI Brittone Phila Act. 6 49.22 49.82 33.31-03.13 49 Co Brist Carlo Phila Int. 6 50.78 99.31 63.46 10 412.03 cr British Carrot 9, 51, 51, 51, 54, 56, 10-10 409.03 CI British Carrot 9, 51, 51, 55, 51, 55 47 78 1-0.18 10 00	ottons Ctr. Cottons Lace. Ldn. SEI 201. 071 234 6000 HK rowth F4 Act 51331.9 133 7st 141.11 13.36 IS Unil Managers Ltd (1000)F	wied 513 ps 33 90 4 92 6 07 1.15 52: rein kome 5 163 93 163 95 66 25: 00 107 66 Pri rein 6 km 5 179 0 1998 2123 - 0 25 00 Pri N scare 1 100 3 100 3 107 1 40 17 7 36 Hrg n 154 1 1 1 41 2 41 2 6 1 1 6 1 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Softoh St. London SWIY 485 071,490,7333 star Portfollo 2 [311.3 311.3 375.5 40 12.57 Opportanties 21 104.7 106 74 115 4-0.7 2.04 Per lagorie	Entity Account	International 549 57 52 77 421115 of Ecology 550 22 57 54 61 11 Hold 1.57 Ecology 51 52 57 54 61 11 Hold 1.57 European 51 11 13 73 69 77 52 11 10 10 10 10 10 10 10 10 10 10 10 10	Gd. & Constitute 5/95, 91. 98.06 102.21 104317 20 Pearl Unit Trasts. Ltd (1.000)H PO Box 500, Petrborough PE1 505 Datings 0000 625577 Equity 0000 62557 641837 7 28 44194.54-931 03 Macan Doitd	For Extractions . 56, 193 36, 53 20, 54 59 47 47 50 telement (1954). 54, 53, 52, 55, 52, 53, 54 59 47 48 47 50 telement (1954). 54, 53, 54, 54, 54, 54, 54, 54, 54, 54, 54, 54
Austral Value, F. 54, 93-50, 43-50, 48,41,41,312-26. Ex- British Lev F., 54, 86,70, 86,70, 92,121-101,126. Un Accus Units 4, 54, 95,85, 93,65, 40,94,40,115,90 Capus Debester 5, 54, 355, 36,53, 44,40,115,90 Accust Units A.	orien 6 98.41 100 7# 107.2 40.1 [2.50 Par K Growth 6 112.8 114 4 121.8 40.3 2.78 San K locome 6 104.8 106.5 113 4 40 15.82 7a		M Sterilog Marapenent Lid 571-493 9990 M C S. Lott Inc \$120,95 325.95 325.740 \$2,33 M C S. Lott Inc \$120,95 325.95 325.740 \$2,33 M C European Inc \$120,85 104.85 111.54 40.723.38 M C European Inc \$120,85 104.85 111.57 4 40.723.38 M Lid Acard Ford. \$210,87 21.47 21.57 59 34,35 M Lid Acard Ford. \$210,87 21.47 21.57 59 34,35	Taylores	Europeandr Pries - 6 (73.09 73 279 273 367 4190 64 Global Growth - 54, 48, 24 e9 24, 4813 10 220 5 Global Factors Rec. 6 49 21, 49 464 52 36 4118 37 20 5 Global Factors Rec. 6 49 21, 49 464 52 36 4118 37 20 6 1600000000000000000000000000000000	Growth 5112-6 114.86 20 0 9 0 80 37 4 4 80 1 6 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1	Januar Sentir Cos. 54 (427) 00 000 1 2 2 2 4 4 50 5 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
AEGON Unit Trusts Ltd (1460)F	Salamar	Batancel Acc. 6 1047 105 46 113 2140 312 48 534 67 67 67 68 68 68 68 68 68 68 68 68 68 68 68 68	M Far Esq. Inc \$102.25 134 00 190 74 208 W Far Esq. Inc \$102.25 134 00 190 74 21 208 W Far Esq. Acc \$102.25 137 01 194 92 10 008 W Christian \$103.7 11 57 1 221.06 120 50 W Christian \$103.7 11 57 1 221.06 120 50 W Christian \$103.7 11 11 11 12 12 12 12 12 12 12 12 12 12	Entroped Hades	Midland Unit Trusts Ltd (2200)F 172 Eye Street, Striffeld, S. 380 072 2,5788 678 in 18	Rew Earner	Factor (Index)
AETTA House, 2-12 Pentenville Road, London, H1 986 Ca Dealing 02/7 690380, Advice 071-837 6494 1	o les Access - 64254 0 2401 244 403554 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Spec Sits Acc _ 6 41.48 41 48 44 13 +0 20 85 507 fromercial Opto 6 52.32 53.354 50 70 4061 42 UK estal Opto Acc _ 6 63.50 64 36 68 47 41.51 24 UK	kkjetan Boase, 4 Battle Brisbe Lase, Landor SEL 1-578 7979 - 4977 898 Propriete Inc. 54 70 74 70 74 75 74 15 15 14 10 17 20 Small Of 1 - 54 18 14 10 17 20 Small Of 1 - 54 18 18 18 18 18 18 18 18 18 18 18 18 18	Do (Accessive)	Europeian Gerordh (d. 140 8 144), 84 149 9 - 640 1.17 (Account Units) bi 1748 1748 186, 1-0.70 1.17 E. sura High last bi 65-36 65-14 77 38 - 137 7.35 (Account Johnston 1 64 9 9 6 49 864 51.91 - 661 9.48 (Account Johnston 1 64 9 9 6 49 864 51.91 - 661 9.48 (Account Johnston 1 64 9 9 6 49 864 51.91 - 661 9.48 (Account Johnston 1 64 9 9 6 49 864 51.91 - 61 9.48 (Account Johnston 1 64 9 9 6 49 864 51.91 - 61 9.48 (Account Johnston 1 64 9 9 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 8 6 49 864 51.91 - 61 9 9 9 8 6 49 864 51.91 - 61 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Perpehual Unit Tet Margarit (1600)F 98 Hart Street, Henley on Thames International Certs. 24, 1967 77 369 277 399 and in 12 12 20 International Certs. 24, 1967 77 369 277 399 and in 12 12 20 International Certs. 25, 1967 77 369 277 379 37 27 37 37 37 37 37 37 37 37 37 37 37 37 37	Charity 9
	ar East 4	durance Fund Management Ltd (0905)F Em Barrington Garden, Loudon SW7 416 071-3737261 Ger benere Fg 51055 1476 1270 1 . U 81 Bitable Unit Trust Managers Ltd (1600)F Gra	Hickstein 34 (67.26 57.26 77.93) (415.02) George Cold	De (Accurat)	Framer	For Eart Lord — See 28.8 a. 17.504 1.7.504 1.50.1.7.504 1.504 1.504 1.504 1.504 1.504 1.504 1.504 1.504 1.504 1.504 1.504 1.504 1.507 1.507 5.6 4.1 + 2.914.6.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1	Section Gentle 9 . 5(2) 54 (2) 57 (1) 43 (4) 72 (2) 18 (2)
(Accum Units) 5 103.7 103 7 158 4 40 50 1.23 35	ARGA A	upout 556.35 97.3246b 34 e012.84 Set Eastern 513v 48 170 v 88 187 v 81 187 v 82 187 v 82 187 v 82 187 v 83	Completel Pf, South Protest S09 INY (7/03 212080)	Do (Account) 5147 90 47.40 49.88 -0.112.99 RAmerical & Gen - 6.146.65 146.60 15.00 1-130 19.60 Do (Account) 6867 70 167 70 1776 50 1-130 10.96 New Sun Do B Rec 5192.70 167 70 178 50 1-130 10.96 New Sun Do B Rec 5192.70 92.70 97.93 10.44 00.1 Do (Account) 5164.90 164-51 97.93 10.44 00.1 Parellic Bassal 5164.90 164-51 175.66 14.20 10.44 Do (Account) 6164.90 164-50 175.66 14.20 10.44	Gezzen Uniti 6 67 05 67.05 71.72 42.511. Zi Haguf Pfulio Ax. 6 70.10 70 75 72.57 70.11 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Philitips & Drew Unit Managers Ltd (1403)F Ut Lemmy Spart, Lonius ECA 190 071-6286076 Ut Lemms Jun 12 . 4 107.7 107.7 10.0 1-10.5 2.3 Cartiet and Jun? 4 119.5 119.5 121.4	Concom Books 9 5119 20 121 00 128 701-05672 of Recovery 512200 1220 01300 (12.22 of 13.20 0130 0130 0130 0130 0130 0130 0130 01
Smaller Cos 5 190.7 201.8 213 8 -0.904 16 (A. Ukccum Units) . 5 279 1 295.5 313.0 -1.304 16 Ga	### ### ### ### ### ### ### ### ### ##	aber Con — 51520 94 53 RS=56 96) + 00014 95 6015 515 5102 79 95.97 101 02 10 10 10 10 10 10 10 10 10 10 10 10 10	hal Gerth 61 99.5 192 4at 203.8 14.9 1.47 147 147 147 147 147 147 147 147 147 1	Small fon & Rety 3 294 89 294 800 607 20 41 20 2 29 00 (Accom)	Meyrida (crowth 6 to 122 0 122 0 120 130 5)-618/2-59 Meyridan (crowth 6 to 12, 7 10.9 to 10, 9 1	Mariyatzartan & Destiny Boli, Trust Accounting & Alternamentari Lid 1 White Hart Yand, London SEJ Linx American	Scinistae Unit Tet Mages 1.14 (1.200/F 22 Billiere Seroe, ECAA 28E Mages Corona Acc., 31194, 1 196, 1 196, 71-0, 195, 50 Do Indone,
All Charches Inv Mgont Servs Ltd CL200H (All 19/2) Billiter Servet, Loadon EC3M 2PY 071-522-7364 (All 19/2) Billiter Servet, Loadon EC3M 2PY 071-522-7364 (All 19/2) Billiter Servet, Loadon EC3M 2PY 071-522-7364 (All 19/2) Billiter Servet, Joseph 28, 67-55 (7) 280 (4) 46, 427 (All 19/2) Billiter Servet, John 28, 46, 45, 50 (7) 280 (4) 46, 427 (All 19/2) Billiter Servet, John 28, 46, 45, 50 (4) (4) (4) (4) (4) (4) (4) (4) (4) (4)	aster Portfolio 3 073 9 075 0 006 00 0 002 95 GM com Units) 3 02 9 02 9 0 072 00 0 0 0 0 2 95 GM com Units) 5 64 13 64 13 64 23 62 20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Per Inc. Acc	afond Managers United (1009)F School Rd, Unifely, Midde UBS JEZ, 0995 59783 had American . 5 14.0 14.9 121.0 40.01.48 had Carolin . 5 16.0 14.5 121.0 40.01.48 had Carolin . 5 16.0 16.5 16.7 14.02.193 had Carolin 5 47.7 7.9 40.02 40.02 had Japan 5 47.8 47.7 7.9 40.00 60.00 had Japan 5 143.8 143.3 152.9 40.00 60.00	London & Manchester Tst Mgmt (1000)H Wistade Park, Exter EIS 105 American	Japan Growth	Prince Greek Act 5, 184 5, 20 5, 20 5, 20 1, 17 4, 18 1, 18	Egasty strationes — 6, 39 03, 39 64 42 43 [5 81 Egasty Stration 2 m et al. 47 to 51,00 / 1 to 41 / 1 Egasty Strationy — 6, 54 479 54.79 55 56 - 2 12 91 Egasty Strationy — 6, 54 479 54.79 55 56 - 2 12 91 Egasty Stration — 6, 52 0 d 62 20 d 64 20 1 Egasty Stration — 6, 52 0 d 62 20 d 64 20 1 Egasty Stration in Egypto — 6, 50 0 d 62 1 33 20 d 62 1 Egypto — 6, 50 0 d 62 1 50 99 63 20 3 20 d 62 1 Egypto — 6, 50 0 d 62 1 50 99 63 20 3 20 d 62 1 Egypto — 6, 50 0 d
Allied Dumbar Unit Tsts PLC (1600)F Allied Dumbar Cotre, Sylvigou, 501 1EL 029334834 - Dumbar Dumbar Cotre, Sylvigou, 501 1EL 029334834 - Dumbar Cotre, Sylvigou, 501 1EL 029334834 - Dumbar Dumbar D291610365 - 3	Ames Capel Unit 1st Most Ltd (1535)F Britanse Exclusive Losdon, 614 96J Britanse Exclusive Losdon Britanse Exclusive Exclusive Losdon Britanse Exclusive Exclusive Losdon Britanse Exclusive Exclusive Losdon Britanse Exclusive Losdon Britanse Exclusive Exclu	Executi	Arbor Exthang: Sq. Landon E14 9E07; - \$38,9668	Japan	Giff & Flord Int	16 South Park, Serengels, Kent TH13 LAN 0732 740700	Asia Pacificky
Database Triasis Anterican Income . 5 35 70 35 78 38 10 40 94 Ho High Income 5 356 1 357 9 381 1 - 200 5 27 Easily Income 5 195 6 195 6 200 31 30 10 Easily Income 5 195 6 195 6 200 31 30 5 Easily Income . 5 195 6 195 6 200 31 30 5 Easily Income . 5 195 6 195 6 200 31 30 5 Easily Income . 5 195 6 195 6 200 31 30 5 Easily Income . 5 195 6 195 6 200 31 30 5 Easily Income	romaniforeth 54, 173 29, 73,660 20 61, 40,561, 73 or Leas Sp.Stis. 54, 170, 66, 70, 27, 27, 49, 40, 51, 21, 21, 41, 42, 42, 43, 44, 43, 44, 44, 44, 44, 44, 44, 44	eter Fund Managera Ltd (1409)F Labebrid Vard, Eerter Ext JHB 092412144 intended Vard, Eerter Ext JHB 0924124 intended Vard, Ext JHB 0924124 i	Tratiqual 7	Actor Recovery	Europea; Growth 6 left #4 61.49 66 41 42511 17 Gift & Found ist 19 56 95 56 95 905-14029, 9 Prome 5 162.68 63 77 62.89 1914 43 Japan Growth 642 54 42 84 45 75 1925 19 Managed 642 54 42 84 45 75 1925 19 Morey Market 616 57 35 60 18 61,89 400192 21 Morey Market 616 57 67 68 89 4021 62 19 6 4 9 40 40 19 57 68 89 4021 62 19 6 4 90 40 19 19 19 19 19 19 19 19 19 19 19 19 19	Control Belt \$4, 103.9 103.9 120.5 10.10 10 10 10 10 10 10 10 10 10 10 10 10 1	Bis General Inc. 5 43 - 50 - 40 - 10 - 60 17 - 60 15 - 77 - 60 - 60 17 - 60 15 - 77 - 60 - 60 17 - 60 15 - 77 - 60 - 60 17 - 60 - 60 17 - 60 - 60 17 - 60 - 60 - 60 - 60 - 60 - 60 - 60 - 6
Gord Securities, 5128 94 28.94 70 401-00218 88 21 Interestimated Tracks Amore Spec Sits 5 91.22 91.29 97.22 6.05 0.79 25 European Gerotti 52.20 27.20 72.20 72.20 0.79 25 European Gerotti 52.20 27.20 72.	pala Snite Cot - 54, 94-53, 94-51, 36-93-96-61, — The Interretical - 54, 907, 1979, 1979, 1979, 1989,	Codus, Bath Road, Devizes Sello 205 0380 729200 abiliter	Inness Flight Unit Tst Mgrs Ltd (2400)F Hasford Street, Landon SEI 296 07; 5222129 U Treet	Adoma Unitsi	MIM Britannia Unit Tst Myrs Ltd (1969)F 11 Develor Spare, Louise, EC2M 47R071-628 343 October - 0900 0107737 UK Specialist Treeb Investment St. 5 to 12.08 52 080 52 53 51 on EC1 41 Specialist Treeb	Lincom Dulta	Cods 10 102 59 20 59 75 59 11 (125) Performance Yeals Sang 2000 Lot Ref 50, 40 00 40,54 (131) 10 3 Rep 200 Lot Ref 50, 40 00 41,50 44 27 40 111 83 Rep lace Peri Acc 50, 52 20 75 52 47 92 49 115 49 High See Peri Ref 51, 27 20 27 9 544 11 31 40 315 40 HIK Base Chipa Acc 50, 28 65 20 67 30 99 1 31 1 31 1
Secs of America 3 33 1 4 113 And 333 7 He 40.01 Care Windle Ancor Val 5 503.5 33.5 2 7 3 7 He 101.3 7 East Specialist Transb Sacst Value 5 402.9 402.9 402.9 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11-229 4477 shi kec 0 50, 52 50, 52 50 21 60 11 17 Fk shi kec 0 52, 71 52, 71 52, 71 40, 22 11.75 130 repear Geth	Relity Investment Servs Ltd (1200)F (20)	Impess Mahom Unit Tst Mgrs Ltd (1200)F Box 442, 725t Mary-st-MR, ECS 077-623 9373 pagas Growth - 616.89 68.99 73.71-0-11.73 Di Gowth 6192 93.254 94.0110, 44 Notember 6192 93.254 93.54 64877.66 Box 6192 93.254 93.54 64877.66 th American 6188.4 188 148 94.817.66	Early Income 5 200.32 204.9 252.0 44 94 64 04 04 04 04 04 04 04 04 04 04 04 04 04	Special Festivers: 54; 25,01; 27,01; 29,444; 6000 27,555; 40,005 28,00 27,555; 40,005 28,00 27,555; 40,005 28,00 27,555; 40,005 28,00 27,555; 40,005 28,00 2	Percery	HR Global Acc Sci 27-35 - 27-41 29-311-4 111 cd HR Global Her Sci 26-75 - 26-81 23-64-3 11 cd Wwite-Tail Perf Sci 43-48 43-66 46-171-17 15-11 12- Scattlish Life Lowestments (1200)H 1954 Andrew Sa. Edinburch 031-725-2711 HR Enelly Medical F St 28-6 255-5 297-91-0 91-77
Men Min's Crity \$127 2 127 26 135 4 6 101 76 7	Andrew William Long Co. Long And Andrew Andrew	Pricess	The Cercent 6 6 69 85 49 85 65 33 46 40.2 0.00 level 6 6 65 45 8 8 27 8 62 28 6 41.0 4 51.0 4 10 10 10 10 10 10 10 10 10 10 10 10 10	Mexican Bertish	Managed Freez 2 4 (7) 22 (7) 22 (7) 22 (7) 23 (7) 24 (7) 25 (7) 25 (7) 25 (7) 26 (7) 27 (7) 2		imprintipedated 5) 199.3 188.3 196.6 (4.1.7) 27 Packellian-Packett 1242.5 746.8 246.8 (4.6.4.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6.6
I King St. Marchester M60 3AH Ot.1-832 0242 Do. Growin 5191 99 91 99 97 86 bc 21/2 57 Page 199 91 91 92 97 86 bc 21/2 57 Page 199 91 91 92 97 86 bc 21/2 57 Page 199 91 91 91 91 91 91 91 91 91 91 91 91	A 30 35 37 45 10 10 00 000	ZEaru Oppo 54 35-79 39-42 3030-300-300 000 Geowth 54 30.5 30.73 34-41 0.010 000 Geowth 54 30.5 30.73 34-41 0.010 000 Geowth 54 37.26 37.7 364 39-57 41 0.010 000 Geowth 54 37.26 37.7 364 39-57 41 0.010 000 Geowth 54 37.6 37.5 67.5 67.4 000 000 Geowth 54 37.6 37.6 21 99-420 5.6 62 991 0.00 000 Geowth 54 37.6 37.6 21 99-420 5.6 37.6 37.6 37.6 37.6 37.6 37.6 37.6 37	Hax Standard Tst Mogant Ltd (0629)F Sor 600, Edinburgh EHJ5 1EW 0900 \$38868 4 Manualge Ac _ 55 28 77 29 27 31,03 40,42 79 4 Manualge Ac _ 55 28 97 29,48 31,25 +0,42 79	Accord Usins	Preference States . 54, 124, 77 16 77 15, 6910 0081240. UK [Locose 54, 122, 20 22.0 28], 164 806 8 58 Sector Specialist Front	Emerging Mitts F 6 26.23 29.25 40.00 62.50	00 February 887 - 344 224 0 221 89 289 31 9 301 € 1 100 Access - 54 254 1 726 282 272 0 201 € 0 100 Access - 54 151 0 167 684 173 4 9 10 15 58 100 Access - 54 151 7 157 68 199 0 4 201 28 100 Access - 54 151 7 543 5 58 31 31 9124 0 9 56ect Option 88. 54 7 67 7 48 5 5 5 16 27 1 6 28 1 59 58 4 7 7 7 7 8 5 5 5 5 5 5 6 1 6 28 1 29 1 29 1 29 1
Style Styl	Perifera Builf. 59 52.38 52.50 55.37 56.313 90 Feb. 500 55.52 55.53 50.77 63.42 56.53 500 77 63.42 56.53 500 77 63.42 50.52 50.53 500 77 63.42 50.52 5	us Spec Sits . 54 79 17 79 17 60 20 10.11(0.00) Adm Langed Ind	mbra Generali Fand Ngrs Ltd (1800)F in, 5 Rayleigh Rd, Hetton, Brestmand, Essex uries (227 22730) Bealing 5277 640370 gray Sahr - 1955, 39 57 57 61 631,) 23 Gravi 5155, 30 57 57 54 61 6122, 56	Occum Linito	Property States 59, 533-bb 51 66 57,011-80212.06 Rectana Forest Frank. American Cornell 55, 256 65 78,65 41,13 46,271.36 IVS Smaller Coo. 51, 627 28, 627 69,10 46,33 - Ukcyan Unito 51, 708.0 63,60 89,03 46,33 - Europe Fort 54, 71,10 91,18 77,41 46,031,21	Enriques Acc	Do Accion 2-5, 147, 57, 502, 55, 457, 275, 177, 186, 186, 187, 545, 275, 177, 187, 277, 277, 277, 277, 277, 277, 277, 2
BSI—Therabill Unit Trust Mgrs Ltd (1200)F po 20 St John's Su. London ECIM 4AE 071-251-6767 Em	Second & Greatly 5/56,54 56.54 65.75/402414.77 Ann	The Court of the C	mbros Unit Trust Managers Ltd (1000)F 10, 5 Rayleloh Rd, Hatton, Brastweld, Emer 10th 2077 227300 Dealton 2777 400390 * Canty Lee	Access (160-1) 5 21 25 4 25 7 1 25 1 25 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Glemen Units 2 - 5, 42, 34 - 9	Worksholds Acc	For External Inc 51, 88: 90 89: 53 93.25 0.751.00 100 Access 51, 94: 44 90: 60 100; 201.01 107 days consider 51, 54: 94: 90: 60 100; 201.051.07 100 Access 51, 52: 95: 57. 52: 59: 90: 10: 50: 00 100 Access 51, 52: 97: 57. 52: 50: 90: 10: 50: 00 100 Access 51, 52: 51: 50: 52: 52: 50: 50: 50: 50: 50: 50: 50: 50: 50: 50
Baillie Gifford & Co Ltd (1400)H Pail 10 Ghreifelas St, Ediaturah 331-2266060 UK 85 America V3 1714 1714 1823 4160 66 UK 95 Bentis Gwin3 1710 80 30.80 32 771-0012 67 UK	#mattened in:55, 66, 94, 66, 946 71, 158, 1-00, 13, 66, 66, 66, 66, 66, 67, 67, 67, 67, 67	all Describite 54, 195 53 96 90 203 0 4 00 00 0 198 me Phr 34, 14.8 8 11.6 9 124 54 - 0316 66 heilt services 15 10 10 10 10 10 10 10 10 10 10 10 10 10	M Pfalia 5 139 340 2 141 8 40 3 2 90	MEGM Unit Minuspers Ltd (1000)H MEGM Home, Hope Rd, Warthing Design (2277 2610)D. High Indoors F	Seguent Action 19 50 27 93 5 00 14 051 102 Action United	Emerging Asia Acc 55 92.15 92.15 99.55 40.50.27	DO Accom 5-0 [156 7 159 Lis Tad 5-1 16] 56 Trick Years 5-1 64 16 16 51 3 69 2 50 4 6312 97 The Accom 5-5 164 90 10:50 73 00:10 212 97 Scottish Provident Inv High Lid (1000)F 1 50 Andres St. Edunburgh D17 2794 03:1554 7327 Energy Ground Acc 6 15 16 21:36 22 84:40 624 51 Energy Ground Acc 6 15 16 16 32 32 84:40 624 51
one compare (with 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	White Hurr Yard, London Bridge, SEI 971-407-5966 The Committee of the Seine Se	O SUPER LONGO EL MANY POLITICA PO	MALE OF SELECTION SELECTIO	Access Halts F. 3 361.5 366.2 389.3 -1.54.41 ore Equaty 64.7 5.5 52.1 9 52.3 45.5 4-40.2 11.52 but Board F. 5. 55.3 51.09 51.004.53 64.42.17.7 7 sheetal 516 F. 51.85.1 18.50 18.50 20.36 40.002.18 boropsus Growth 6 F. 61.50.49 50.77 73.25 40.56 11.46 Deropsus Growth 6 F. 61.50.49 50.77 53.90 4.0601.46	Score Company Control	Exercise (24.5-cm) dec. 55, 53, 64, 52, 64, 52, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 53, 64, 54, 54, 54, 54, 54, 54, 54, 54, 54, 5	mil Greenth Acc. 6 22 33 23 36 25 37 40 00 1 51 to 10 5 40 40 40 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Bank of Ireland Fund Mays Ltd (1000)F 30 Quere S. Lomdon Ford 18M 31 May 31 May 31 May 31 May 61 May 62 May	ty of Landon Unit Tst Mgrs Ltd (1000)F	nis, 79 Box 2001, Brestwood, Esser CM13 12R series 0277 227300 Dealing 0277 261010 Ger Descripto 590 99 82.59 86 131-0315.10 Important Company Esserie 5120.5 120.5 120.5 120.6 Hz 20.00 Bett	am Veres	MW Investment Managers Ltd (0659)6 66 Court St, Hardinston E. Lothian 0620625867 66 Inita termina 000-37 July 2010 11 96 66 Minidam Unit Trest Managers Ltd (1400)F 13 51 Bacojas St, London ECSA 72E 031226-6666 Maidon Germat 011160 1160 11912 Ltd (1400)F	Desirer 071-426-0000 Esquiries 071-926-01-29 American Gottle 5 to 155-0 Esquiries 071-926-01-20 February 155-0 Esquiries 171-926-01-20 February 155-0 Esquiries 171-926-01-20 February 155-0 Esquiries 171-926-01-20 February 155-0 Feb	Pravident Mutual Unit Tst Mgrs Ltd (0985)44 25-31 Moorgrie, Landon, EC2768A 071-588, 3963 PM Emby Gib	Scattish Widdows' Fund Mingard (0659)M 90 San 1922 Edinardy Elifs (1950) 932 468 1724 Santy Acc 16 459 4 459 4 70 104 8 17 76 Mark Inc. 65 104 6 199 2 359 2 4 5 2 2 6 7 Mark Inc. 65 104 6 199 2 359 2 4 5 2 2 6 7 Sirven Acc 16 22 1 6 2 2 7 6 7 6 1 7 6 4 7 Europe Mark 6 12 1 6 2 2 7 6 7 6 1 7 6 4 7 Europe Mark 6 12 1 6 2 2 7 6 7 6 1 7 6 4 7 Europe Mark 6 12 1 6 2 2 7 7 2 7 1 6 1 7 6 4 7 Europe Mark 6 12 1 6 2 2 7 7 2 7 1 6 1 7 6 4 7
Barclays Unicorn Ltd (1000)H Barclays Unicorn Ltd (1000)H Unicorn Merita 55 (87 25 87 25 97 25 97 4 9)(1.95 25 87 25 9	3904 Growth 6 36 71 36 71 37 38 10 27 11 K7 550 styr Kigh loc 5 64 20 65 13 10 27 20 402 5 32 UK	America Smill. 24, 1704 1, 194 1, 193 4, 193 101.41. Smill as lecome 5 (48.58) 65 (58.73) 03 (40.33) 590 Pref East Apa Jule 11. 24, 195 1, 5, 25.3 5, 37.1 0, 401 1, 15, 44 Fronth 56 5 (2, 69.83) 74, 68 (-8.37) 1, 184 Become 51 (07.37) 104 Jul 133, 5 (-0.45) 200 East	Arr Con Obs., 5 to 155,19 15, 194,108 Art 4,365,70 & Gitt 5 to 138 79 38,794 43,000 (cb) 12,00 d interest 5 to 147 26 47,26m 51,61	Manuellife Management Ltd (1200)H 6 Googe's Way, Steepurg 10 Googe's Way, Steepurg 10 Googe's Way, Steepurg 10 Googe's 10 Googe'	NY, and rectang Age. 3 446, 3 446, 3 458, 9 4, 5 2 48. St. St. St. St. St. St. St. St. St. St	*M 010310 401 3131.77 31.77 30.2310.00	Europe led
DE Earn Gerth Acc. 34, 99 27 49,46 100 51-0 1 [1, 27] Jap De Earn Gerth Iac. 51, 95 88 96 28 102 71-0 1 [1, 27] Pet DO Earnest 51, 95 88 96 28 102 71-0 1 1 1 2 7 DO Earnest 51, 94 58 9304 102 51-0 1 2 52 81 DO Financial 54, 22 07 35 034 58 86 10 2 1 4 55 58 DO Financial 54, 22 07 35 034 58 86 10 2 1 4 55 58 DO Financial 54, 22 07 35 034 58 86 10 2 1 4 55 58	1 a r an r me 2 1234 223 2334 1387 86 158 168 168 168 168 168 168 168 168 168 16	r Senitr Cos. 5 1276 5 276 5 300 3 143 702 66 Amaz net Units; 5 282 4 282 4 30 3 1 12 70 66 Emp tall Put. 5 295 2 235 2 250 1 14 4 3 3 3 Emp tall Put. 5 311 4 3 3 1 2 4 3 1 2 4 3 1 2 5 1 1 Senitr Cos. 5 142 65 4 1 65 4 5 5 2 4 4 0 10 3 2 Janus	SI PRESIDENCE 54 1744 274-30 00 421-0.121. 68 10 10 10 10 10 10 10 10 10 10 10 10 10	Fe Earl 54 591.8 120.9 120.6 1-0 500.33 ISANO 100.7 - 551.106.1 100.541 15.5 - 0.4 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Cept Acc	Hofbert Trett. 627.3 22.3 24.95 -0.62 1.88 Hofbert Trett. 627.3 22.3 2.4.95 -0.62 1.88 Hofbert Carl Blazar. 640.49 103.49	Setroper Eastern Fund Mongt Lbs (1200)F Admin: 5 Styleigh Rd, Hatton, Servemond East Demails, 6277-22780 Sector Receivery 5190 29 99 73 169 7140 512 15 Science (Salbart E.) 8, Do. (2000)E
Do Georgia Del 13 10 2 4 5 2 4 5 2 4 5 2 4 5 2 5 2 5 2 5 2 5	Marial Motual Unit 15t Mgrs Ltd (1200)F Grant Hart Vari Lordon St. 1107 071-407-596 United Hart Vari Lordon St. 1107 071-407-596 United Hart Vari Lordon St. 1107 071-407-596 United Hart Varia 104-90 117-70 51 02-10-10500 Universe 1-617-90 477-70 51 02-10-10500 Universe 1-617-90 477-90 Universe 1-617-90 477-90 Universe 1-617-90 477-90 Universe 1-617-90 477-90 Universe 1-617-90 Universe 1-	um Units 5 44,55 43 334 46,24 40 10 19 22 Juga crosible 9 69 71 604 6 136 614 307 43 546 1 pp 11 Inits 5 1,64 4 17,2 4 182 7 49,40 7 45 9 Pezi per 1,7 5 10 62 90 624 96 67 64 10 10 70 Horri per 1,7 5 10 62 90 624 96 67 60 10 10 10 10 10 10 10 10 10 10 10 10 10	of the East 54 (4) 55 79 26 46 45 19 50 10 10 10 10 10 10 10 10 10 10 10 10 10	Guide to pricing of Au		Helibert Ind Grit 6 12505 128 13 12525 1481 155 165 165 165 165 165 165 165 165 16	Morel. 5 Rayleigh Int Heaton Services Cover Deprine: 0277 227300 Declare 0277 2;100.0 Declare 0277 227300 Declare 0277 2;100.0 Declare Declare 1. 35 [128.1 128.4 128.4 128.4 Singler & Friedlander UT Mignet 1.14 (10000) Tiller Street, Schoonense Lin ECT 4841 071 221 3000 Declared 1.15 224 42.25 47.441
Do Jos Spec Stat 51, 57 66 58 L5 62 03 1100 20 CU Do Leture 12 54 18 92 100 7 107 7 40 42 70 CU	Enterinte 881 481 2222 4622 4622 4622 4622 4622 4622 462	om Britist		Compiled with the assistance of MITTAL CHARGE Charge make as sale of units. Used to default unitables, and abbidistrative costs, including consistent part All intermediates. This change is inducted at the price of units.	HISTORIC PRICING: The later H devotes that the prompts will normally dual on the price set on the most reduct whichout the prices shows up to interest whiching there mobilization and user	For Regency Life Unit Tal see AEGGEF OHL Tal.	Smith & Williamson Unit Tst Myrs (1609)F Ebdoy Rour St. Louden WIA345. 071-637 5377 & W America 1 50196. 1 1971. 200 63-1 11 12 & W Capital — 5196.32 92 52 99 52 & W Capital — 5196.32 92 52 99 52 & W Capital — 5196.32 92 52 90 52 & W Capital — 5196.32 92 52 90 52 & W Capital — 5196.32
Do Wordende 54 130.7 1315 140 3 40 7 1 80 80 80 80 80 80 80 80 80 80 80 80 80	Mithy Inc Pars. 10 (1.70 42.81 45.54) (17 94 Man, Managed 10 5) 1.79 42.81 45.54 (18 5) 1.10 10 10 10 10 10 10 10 10 10 10 10 10 1		Samuel Unit Tst Mgrs (1200)H Town Addisonate Read, Crypton 081-68-6255 etc. 081-6	OFFER PRICE: Ann called Issue price. The price of which code, are bought by interclose. BHD PRICE: Ann called redomption price. The price of which twide are point back by investors. CANCELLATION PRICE: The measure	net be do commit dealing levels betaute at an intervence protein consultation or 4 weeks to a toward price best, The occupies must deal at a former price to 8 majorst, and major more at former price at any more at former price at any more price price price at any more price p	Rescastle sport Type NET 772 (191) 22 5 0077	2. W European . 540,26 50,58 66 124,3137 00 6. W Far Eastern . 540,26 90 92 100 7 100 7 11,1000 6. W Gradth . 5102 0 105 2 109 1 10 1 10 10 6. W Struck . 5102 0 105 2 109 1 10 1 10 10 6. W Stuff Sex . 5286 0 214 0 226 44 00 61,26 6. W Magnett . 5112 3 112 5 120 6 6. W Magnett . 5112 5 120 6
American Growth 5 67 25 67 22 7 22 3136 0.5 Culturers an Growth 5 67 25 67 22 7 122 3136 0.5 Culturers and Growth 5 67 25 77 77 77 01 57 49 49 0.1 Double 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Access - 619 27 99 716 6102 (2016 00 (400 400 400 400 400 400 400 513 7) (2012 611 400 400 400 513 7) (2012 611 400 400 513 7) (2012 20 (400 400 513 7) (2012 20 (400 400 513 7) (2012	an Units	isse 9 - 6 159 4 159 4 170 4 14 372 05 1645 1 - 6 501.7 50.5 14 35 34 4 16 17 16 14 17 17 17 17 17 17 17 17 17 17 17 17 17	materprise pate. The materials spitch between the offer and but prices is determined by a typeway had down by the powermant, to publish, most writ bush managers quote in much materials spitch. As a reason, the light price in other out above the concentration or size, between the bush major that one of the prices of the bush major the	that the representation at the price to be set on the good valuation. However, and the price is advance of the purchase or safe being price in advance of the purchase or safe being price and the price appending in the reverpupal are the most sector provided by the strangers. SCH-MERTE PARTIESTA AND	N.M. Retischild Fund Mgmt (1660)F St.Swibbr Lane, London E66 — Dealer; 171, 280 5000 MC America Cod 676, 59, 28, 59, 303, 291, 010 1, 05 015 America Code: — 6806 61 408 65, 377 (2), 1341, 07	Sovereign Unit Tet Magne Lin (1000)# 2 Christianut N. Romannoch
Europea Farrorth 5 (181.8 181.88 197.6 -0.7 2.7 cgr.	Bulker intil 1 . 6 hos 6s 106,564113,791 (r) 6 0.1 5 cm. Account 6 10,77,03 107,83 114,711 (u) 0.0 1 bo A Clim Int Spec Str. 61,774 6 77,49 72 20; (u) 4 53 Feb Account 6 107,40 0,7740 (27,98) (u) 4 53 Feb Account 6 107,40 0,7740 (27,98) (u) 4 63 Feb Account 6 107,49 (27,97) (u) 12,80 114 (u) 66 A Count 6 107,49 (12,97) (u) 12,80 114 (u) 66 A Count 6 107,49 (12,97) (u) 12,80 114 (u) 66 A Count 6 107,49 (u) 57,50 57,67 (u) 10,075 57 77,67 57 77,67 (u) 10,075 57 57 77,67 (u) 10,075 57 77,67 (u) 10,075 57	only 0HI 5574 70 276 576294 22 402 3 64 Part comm 557.96 53 5656 68 4053 64 Part unr 6th 0ct 559.2 79 94 23 100 23 400 10 65 State comm 593 86 95 31 101 39 401 9 68 State comm 593 86 95 31 101 39 401 9 68 State comm 59 38 6 95 31 101 39 6 9 5 31 101 39 6 9 5 31 101 39 6	Parameter 1	moved to the conceilation paice by the managem at any time, usually in discussionces of which there is a large extent of pulsage of which over beyone THMC: The many above allowed the facel'	REPORTS: The proof recent report and echange particulars can be obtained from all change tourn hand assistances. Other productions roles are contained in	HE MADE WIK COS. 6 PA AI PA ALMS 251 99 12 MI HE MADE WIK COS. 6 PA AI PA ALMS 252 40 22 2 AI HE SAID FAMILY IN 6 J. 7 AP 71 77 CL 6 AV 10 J.	Managod 55 56 87 ed.53 56 56-63854 65 18 Grand 5, 56 151-63857 57 Grand 5, 56 151-63 57 Grand 5, 57 Gran
About Searche	'보고 마마 이 이 이 이 가지 않는데 보고 있는데 Do A	ST CAT DIVIL. 2018 34 27 at 66 27 (1978) 6 40 27 (1978) 6 40 27 (1978) 6 40 27 (1978) 6 40 27 (1978) 6 40 27 (1978) 6 40 27 (1978) 6 50 27 (1		exhance other integer ancher time to excision by the combine interpolals the further time to receive committee the product time as follows: (49) - 000) to 1000 leaves (49) - 1101 to 1400 leaves (49) - 1401 to 1	the last column of the	If Najer Cr5. 54 70.19 71.29 75.054a 181 UK Saele Cr5 57 50.54 181 UK Incore 54 64.22 65.36 65.77 50.19 181 UK Incore 54 64.52 65.36 65.77 50.19 181 UK Incore 54 63.14 45 185 66.13 50.44 181 UK Incore 54 63.14 65.17 65.76 181 UK Incore 54 63.14 65.17 65.76 181 UK Incore 54 63.66 60.77 57 56.60.27 Cr5 63.77 57 65.60.2	N. Euricy Sch. Acc., 54, 19, 78, 40, 62, 19, 54, 60, 52, 61, 18, 18, 18, 18, 18, 18, 18, 18, 18, 1
11 Bloomfett St. London EGZet 21.8 971 - 374 26-23/4 PP7 America 9 51.71.64 171.64 188 14 1.59 PP7 UK & European 5572.35 372.35 409 74 11.19	7 Clarger 61 27 43 128 45 128 45 128 128 128 128 128 128 128 128 128 128	propier Drst - 5149 99 51 656 94 65 - 975 14 High propier Drst - 517 49 57 20 10 11 14 High resonance Dist. 5 71.42 57 24 76 773 44 0.43 Sout count - 5175 47 75 70 80 5310 700 43	# Nove	parts is short pented of sizes may elapor before pocas become available.	1st 071 - 377 - 8444,	GH	Text Long Can Act - 55 27 4 20 20 27 14 27 27 27 27 20 27 27 27 27 27 27 27 27 27 27 27 27 27

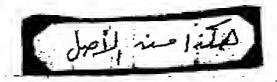


MINANCIAL TIMES THURSDAY JUNE 13 1991	FT MANAGED FUNDS SERVICE	Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Bocklet ring (071) 925-2128.
Int Case	Co Lité — Courtel . Contrary Life Pic . Contrary Life Pic . Assicurazioni . Li. 444.21 00 0	1786 1728 Do Arcini 1925 702.7 Prinsiph Administration 081-086-9171
Control William 1973 1973 1974 197	15 201.5	Total Control Contro
Company Comp	10 10	5-40 7 5-97.0 - Leonyt Mogul Intt. 607 6 979 6 10 1 - MIUNE 4 104 2 130 2 131 5 61 5 - 111 1 114 6 114
Company Comp	165.6 40.5 161.6 40.5	Exchange
Size Life Trust Mitgrist List (1200H) Emressis June 13 1 559.4 556.4 40.22 1 1 Emressis Exc. 22 1 101, Cassin St. Lindon ECU S40. Fine Enterin June 13 1 559.4 57.4 4 1.59 1.09 1 Manager Cas. 22 1 Manager Cas. 250 1 Manag	2. 27.6 + 6.2 - Smaller Corr Ser I. 121.2 222.4 - Denotatin Gross Free I. 125.2 - 125.4 - 125.5 - 125.	441 3
UK Income Inc 54, 46, 75, 46, 75, 16, 72, 16, 16, 16, 17, 17, 17, 18, 18, 17, 18, 18, 18, 18, 18, 18, 18, 18, 18, 18	7 21.2 +0.5 - Pos Branca Med Protes 140.5 156.3 +0.5 Pear Equity Initial Branch & West Pen Ps 103.4 109.4 +0.1 Pen Equity Initial Branch & West Pen Ps 103.4 109.4 +0.1 Pen Equity Acc	
Fixed pt Den 1 - 25 201.0 at 10.2 at	April Apri	284 2 281 7 Property 52 1 212 6 40.1 Property 62 3 65 6 -
TSB Extra increase - 4 10 174 54 413 25 55 And Extra 100 172 272 76.35 - 6.66 10.0 Across Co. 115 De Across - 1 216 97 25.4 41.5 25 57 Ca. Extra 100 12 22 25 25 25 25 25 25 25 25 25 25 25 25	40.0	Bank Res. St. John L Rd. Harrow HAI 2 CE. 081 861 5999 Secure Fd Sc. O Sci. 3 Secure Fd Sc. O Sci. 3 Secure Fd Sci. 3
TSS Pacific - 127 10 20 20 21 11 12 12 10 20 20 20 20 20 20 20 20 20 20 20 20 20	20.5 40.2 Armerican Income	216 3 289 3 40 7 Find leterest 113 3 19 3 19 3 19 5 100
10 10 10 10 10 10 10 10	see Co UK Gardinary 1984 1985	Sol Sol
Codd & Gas Ret	Property Fd	13 14 15 17 17 18 18 18 18 18 18
Second Servent No. 19 17 18 18 18 18 18 18 18	A 288.6 Section Property	Sol. 0 900 6
33 Carrentint St. Landon, W.J. B. 1001	8 584.6 40.1 384.6 40.1 384.6 40.1 384.6 40.1 384.6 40.1 40.1 384.6 40.2 40.6 Fact int Gall. 1 273.8 40.5 564.6 40.1 40.1 40.1 40.1 40.1 40.1 40.1 40.1	27.3 b 27.3 c 2
United 1965 17.3 18.5	19.4 1.5	
Entire the transfer of the t	28. 52.72 44.06	Intrinstrus 613-896 0 021-449-4101 127-2 133-6 1
10 10 10 10 10 10 10 10	22 12 23 24 24 25 25 25 25 25 25	250 3 253 5 250 2
10 10 10 10 10 10 10 10	Section Sect	140 2
THE Sequence Cot. 88 : 6 12.5 17.7 17.7 18.8 ACCORN 1.07 According to the Second Open 6.07 18.5 18	Marroyet 155 157 40 176 155 157 40 176 155 157 40 176 157 15	796.5 196.
Wardley Unit Tist Mages List (1300)F Wardley Unit Tist Mages List (1300)F All Breviol Dispersion (140 - 14	MS-58A 0707 51122 07 Fee Each Staff Fa 120 6 135.4 +0.6 -0.1 -0.1	113 45 113 77 -
10 10 10 10 10 10 10 10	199.0	145 0 153 7 40 4 Pent Equity Acc 290 9 712 6 11 2 10 Accord 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40 5 190 7 40
2 Total Late Landing CPV W	200.5 40.7	181.4 19.1
Wright Selfgenes Free Mages Left (L7904)	Sil 14 100 Crown fisc work log 5021 1XW ONE 3715033 Score Copital	100 4 197.7 40 4 -
Raifile Cifford & Cr Ltn	194.0 194.	222.9 40.7 Entity Ser 7 99.9 105.0 -0.7 Section Set
Charles (Carris State 1 - 1907) 1) Euro William State 5 (1907) 1) Euro William State 5 (1907) 1071-207 2000	545.41 40.50 Monty 1975 1131 403 00 Pendin Finds	106-9 2673 41.0 De Access 459-6 Prof. Serrepas 2073 1.0 De Access 2073 1.0 De Access 2073 207
C. Arrey Act. Jone 5 June 5 June 60 Add A.26 Cit. Epipe. Above greet, are two days eld. CAF TRIVEST - Charitties All Framentations from 121 All Annual Control of the Cont	1962 40.00 1962 1974 40.11 1975 1974 40.11 1976	471 451 7 -20

24
- 44

34	FT MANAGED FUNDS SERVICE	Corrent Unit Trust prices are available on FT Chylins. Calls charged at 46p-per name peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (71) 825-2128.
Bul	Surgest Lisi - Control. Shield Assertance List Swiss Life (UK) PLC CAS Insurance List Swiss Life (UK) PLC CAS Insurance List Solutarion for W5285. Solutarion for W5285. Surgest State Case Case Case Case Case Case Case Cas	
Action 1 therefore Tender 1 12.2 10.0 1 Action 1 therefore Tender 1 12.0 1 13.0 1 13.0 1 10.0	Section Control Cont	State Stat
Penalis Fuels Penalis Fuel	Spaint S	man. 00.491 10.77 +0.002 Hunthminder Financial Service(179) 101
Mr. Baller 167	Bed letter Monitor	222 225 5 0.1
Managed 553,9 572.6 40.5 7 stell Investment term 564.9 40.5 7 stell Investment term 579.2 40.1 7 stell Investment term 579.2 7 stell Investment term 579.2	3 1971 403 - Reimer Benet Benet 117.7 123 H 40.5 - Eastey Field	10 10 10 10 10 10 10 10
1200 253 5 -0 1 - Swin Engines Initial 34.3 -0.1 -0.1 - - - - - - - - -	Cacles Hamped 3543 3634 40.2 Target Life Assurance Co Ltd Enrollie Re Depath 5643 3634 40.2 The Exchange, 66 High St, Aytestary, Bucks HP20 LSE Enrilly 477 6 507.1 40.3 The Exchange, 66 High St, Aytestary, Bucks HP20 LSE Enrilly 477 6 477.4 477.4 47.5 47.5 60.7 (2004) 304000 tenting Europe 101.1 101	Figure 1916 1917 1918
Norwich Union Asset Management Ltd	1 30.1 40.4 Rord European 334.4 \$25.0 41.8 Immunol Property 27.7 250.6 1.7 Int C Strategy 60.7 40.7 Practite 36.5 299.8 41.7 American Eagle 127.7 250.6 1.7 Int C Strategy 64.3 40.3 Practice Resister 315.3 \$31.8 40.1 American Eagle 127.7 250.6 41.0 40.2 50.0 40.4 50.2 40.2 50.0 40.	Fig. 11 11 14 16
European Fund . 66.5 70.0 -0.2 PCP Continuity . 62.8 Horst American Fund . 79.0 76.9 -0.5 Pacific Fund . 79.0 Pacifi	So So So So So So So So	A
### ### ##############################	185 40.5 Cultumanyet 209.0 299.1 41.5 Alient Punts 179.4 -1.3 Capatry 185.2 40.1 195.4 195	100 100
Name Ch. Union Life Insurance Soc. S	Standard Life Assurance Company 15 Alpha 162 1	10 103 0 111
Deposit F 2	104.3 ±0.9	SPEER Port Capring OREL 25731 PBR Friend Maintagement Lbi Orace 1852 SPEER
Bitiof See Deer 64 143 79 151.35 40 04	10.3 40.9 7 40.00 7	Per Laure Management Ltd 9 0.01 0.001 1.00 0.01 0.000
Wath Profits Fund 112.78 118.72 40.04 Property Ord. 213.8 224.1 Property Gell. 194.1	205.7	E Capitled Informationsel Lipi Recompose Supplies Fig. 1993 2016 4.2 500
Prop. Act. Grays 1	RASSCR. Soc. Soc. Sanged Sanged Sanged Sanged Soc. Soc. Sanged S	Section Sect
Person P	19 1 19 1 19 19 19 19	Charles Stanley & Co Ltd Charles Stanley & Charles & Co Ltd Charles Stanley & Charles & Co Ltd Charles & Charles
Managed Balance 100 8 106 1 00 4 Property	Planutic Province 1966.2 206.5 40.1 - Fully Mark for Pro 19 554.6 562.5 - Regul Life Fare Regul Life F	27 18 18 18 18 18 18 18 1
37-79 Perrymount Road, Haymarks Scath, 0444 a58721 North American	Memby Conf. 24.6 ed.	51 304 372 51 304 372 51 304 372 51 305 305 61 305
Index Inde	Compared	Port Eric, Juli 0624 62343 recents. E. 1.055 1.124 49,003 - Arab Bank Fund Marrorer Sucrossey Ltd 11 11 11 11 11 11 11 11 11 11 11 11 11
178.0 178.	Apricultural Apric	SECON SO OF STATE ASSET MANUAL SECONDS
Hill Sursact Managed 122,0 Pyte-Linked Intelligence 194 122,0 Suring Faul 171,1	100.5 -0.2 Allastic All Weether 190.0 590.0 UPT SHUKE INSUKANUES but Australia 1823 -0.5 - Property Green'th Passing Fluids 100.5 -0.5 100.5 -0.5 100.5	toe Enternational Life See St. 20 Peter Price Price Price Price See St. 20 Peter Price Price Price See St. 20 Peter Price Price See St. 20 Peter P
International lander 104 0 105 7 For Regercy Life Ass see AEGON Life Ass 105 7 104 0 105 7	Description	Fig. 10.80 0.87 series 10.80 0.87 series 10.80 0.87 series 10.80 0.87 series 10.5 Series 10.5 Series 10.5 Series 10.5 Series 10.80 series 10.5 Series 10.80 series 10.5 Series 10.80 series
Prolific Life & Persions Lhi		Second Process Seco
High Land 1,000	033-556-9181	ty Gib Cl. 27 PO Both 25, St Peter Port, Geometry G. 9691 710651 High St. Cl. 27 Grown in the Control Industriation List Institut Control C
UK Blac Chip	17.9 40.2 Bit Pass May Act Puber 175.3 42.4 Bit Pass May Act Puber 175.3 42.4 Bit Pass May Puber 175.5 Bit Pass May Puber	GEMENT SERVICES Vol. Miles 0 1 71,523 1,327 1,328
Fix int Peas Acc. 497.3 494.1	15.0 40.5 - Sen Life Unit Assurance Ltd Scouring Fd. 30.500 0.540 0.002 - Oper ConStant 15.9 - Oper ConSt	String lining Final . 0 1/0.55 1/10
European Pois . 116 0 122 1 - Frailimpton IIIs Str 0 . 144.9 40.3 1 - ser Poil Julean 1	2 132 4 4.1 - American Equity Acc 276.2 270 8 42.0 - Register to BioricCitic 10.556 0.594 On RM Man U 6 273 6 40.3 - Index-Listed Acc 492.0 550.8 1.5 - Register to BioricCitic 10.557 0.599 On RM Man U 7 271.0 40.4 - Japan Acc 151.6 159.6 -0.3 - Prestign Acc 10.547 0.599 De RM Man U 7 271.0 40.4 - Japan Acc 105.1 194.9 40.7 - Executed Beautistics 0.950 1.029 De Sax Med Per	He 136 143.7 - Bift 4 549 Road - 5 (2005 18.00) 18.012+0 00 (16.16) From 154.8 173.4 - String for India (16.16) 124.5 133.2 132.5 133.2 10.012 19.0 (16.16) 19.0
Maryet Growth 101.1 106.5 +0.3 Earspeats Smift Cyr 126.5 147.9 4.8	- Europiers — 132 4 139 4 0-4	1295 154,3 40.9 Global Counts Front 5512 99 18 09 20 1.0 40.05 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0 18 20 1.0
	311.31 40 11 = Peec Bidy Sec	





FT MANAGED FUNDS SERVICE TSB Trust Flunds (CD) TSB Lip Inglet Fd. 1915 43.5 -0.2 2.59 TSB Lip Inglet Fd. 1915 43.5 40.2 2.64 US Pacific Stock Fund (u) NAV. S16.19 Age of the second secon TRIVESCO MINE International Liersey Ltd. PO Box 273, St Heller, Jersey 0554 7311A Joseph City Commission 1571 111 115 131 Unice Financial Services SA Lux | Depth | Dept TRELAND (SIB RECOGNISED) WINTERTHUR Find Mount Co (Lux) SA WH (Lots) in 1 Soot | En 104 50 | WH (Lots) out twing | Em 117 | Em IRELAND TREGULATEDY" SWITZERLAND ISTR RECOGNISED . 5 191.54 191.64 101.54 107 0.04 5 191.53 59.58 94 77 40.04.0.42 5 10.04 110.04 127 17 44.60 0.70 R. L.A. Bend Investments A6 10 Barristrese CN-101 Zee, Switzerland 21/180 Barr St. Switz 4 ... | Str. 100.0 9760.0 ... | -Barr St. Switz 8 ... | Str. 100.0 9760.0 ... | -| 1.05 | Price ...Israeo.u mesel... OTHER OFFSHORE FUNDS Bid Offer + or Yield Price Price - Bross ISLE OF MAN (SID RECOGNISED) +0 95 All Pance Capital (204A) 1533 40 66 | - consistent (104A) 1533 40 66 | - consistent (104A) 1544 40 Citibant (CD) Ltd "Etitions" 3.22 Citibant (CD) Ltd "Etitions" 3.22 Lundith Funds Descriptors" 9828 22 +9.0201 13994 13944 13994 ## GEO CO - 9 (#1.22% 0.23% 0.23%) (#1.34%) | Tan. | 7297.1 175 | 43.767 | ## Company of the Co CMI Asset Management (Lexes) 203 mate d'Arios, 1-1150 Les Law Left Fund Mages 1.1d ... Propert Hill, Dongtes feet ... 0624 67787 FK... 5195.10 93.164100.161-8.1211.1. CHIL Shammed Furthells Survey Comment | 1679 | Allis | Scholar Service | Syr | 103,77 | 186,137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 137 | 187, 1 USES SOU below Set 1. (SYRA) 07 ANL 601 4-2.251 2.85 Shantara Lahaman Hadhay Strumtlins UNING Waher Trant ... S. 12.18.53 - 4.27 6.96 UNING Waher Trant ... S. 12.18.53 - 4.27 6.96 UNING Waher Trant ... S. 12.18.53 - 4.27 6.96 GROUP Date Indexmall-brain Test Record Lahaman Markins Shantara Shantara That Sh Partie Ball May Juan 7 | SED 91 | Then Backwin Plant Life | May Juan 7 | SED 10 | May Juan 1 | of Douglas, hold 15d 06246 24484 Fadmity Investigation 175 501 ... 1 2.0 Fadmity Inves ISLE OF MAN (REGULATED)*** 166-58 7.00 +0.05 -155-57 5.44 +0.06 -187-5 1.52 +0.05 10.13 18.19 101.25= +0.05 10.05 198.44 517.55= +0.23 10.94 For Mild see MVESCO Mild Mergan Greafest UT Megra/Dentsche Sk (u) Mercana in the Mild Mercana (u) Merc witherfield Membersers Co 1.hr stres Exolut SLS 87 Section SLS 87 Section SLS Apr 86, SECTION ***.254 137.48* **.86.1.41* **-1.1995 1.4913 **.88.1.41* **-1.1997 2.1112 ### 1.00 1.03 **-1.1997 2.1112 ### 1.00 1.03 **-1.1997 1.4914 1.00 1.03 **-1.1997 1.4914 1.00 1.03 **-1.1997 1.4914 1.00 1.03 **-1.1997 1.4914 1.00 1.44 **-1.1997 1.4914 1.00 1.4914 1.00 **-1.1997 1.4914 1.00 1.4914 1.00 **-1.1997 1.4014 1.00 **-1.1997 1.4014 1.00 **-1.1997 1.4 | Autor | Auto Linyale Stank Laxenshoury | Light Infrart Turni Update| | Paper Striff | L. | 1.150.13 | 10.29 | | Paper Striff | L. | 1.150.13 | 10.29 | | Paper Striff | L. | 1.150.13 | 1.20 | | Paper Striff | L. | 1.150.13 | 1.20 | | Paper Striff | L. | 1.150.13 | 1.20 | | Paper Striff | L. | 1.150.13 | 1.20 | | Paper Striff | L. | 1.150.13 | 1.20 | | Paper Striff | L. | 1.150.13 | 1.20 | | Paper Striff | L. | 1.150.13 | 1.20 | | Paper Striff | L. | 1.20 | | Mediterranean Fund (SECAV) (u)

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

US dollar closes at 1991 high

THE US DOLLAR closed in London at its highest level this year as optimism that a recovery may be underway in the American economy fueled buy-

ing of the US currency.

The dollar has risen by more than 2½ per cent in the last week since Mr Alan Green-span, the Federal Reserve Board chairman, said there was now a better chance of a stronger than expected US eco-

nomic revival. This more hopeful economic ontlook was reinforced by the May employment report last Friday, which reported the first rise in non-farm payroll employment in almost a year. Since then, a spate of bullish statements on the economy hy leading politicians, Federal Reserve Board governors and industry executives has helped drive the dollar to its latest

highs.

Pushing the US curreocy np yesterday was a report by a Washington consultancy which said that many Fed governors expect stronger than anticl-pated economic growth. "Senior officials make clear the "senior officials make clear the increasing possibility that the next three quarters could show quite strong US production," the report said. The consultancy also said that the US Treasury was unlikely to adopt a policy of halting the dollar's

advance.				
£ 1	N NE	W Y	ORK	
Jun 12	Late	şt	Previous Close	
Spot	1.6425-1 0.74-0 2.04-2 5.67-5	1.73pm 0.78-0.76pm 2.02mm 2.03-2.00pm		
erward premie	ms and disc	comits ap	ply to the US do	
STE	RLIN	G II	NDEX	
		Jun :	12 Previous	
8.30 am 9.00 am 10.00 am 11.00 am 8.000 pm 1.00 pm 2.00 pm 3.00 pm 4.40 pm		90. 90. 90. 90. 90. 90. 90.	90.7 90.6 90.6 90.5 90.5 90.5 90.5 90.6	
CURRE	NCY	MOV	EMENT	
Jun 12		Bank of England Index		
Sterling J.S Dollar Laundlan Dollar Lastrian Schille Belgian Franc		90.3 68.0 106.9 108.2 109.8	-20.9 -11.0 +3.5 +10.9 -3.0	

CUR		CY RA	
Jul 12	Bank # rate	Special ** Drawlog Rights	European Corrency Unit
Starting U.S. Indian Chandles S - Austrian Sch Belgian Franc Danks Krone D-Mark Donks Golder Franc Rallan U.S. Japanes Yen Kornes Krone Spankh Rrone Spankh Rrone Spankh Rrone Spankh Rrone Spankh Rrone Spankh Rrone Series Verach Irish Punt	-006 9.06 70.50 6.55 7.04 6.00 19.00 19.00 19.00 19.00 19.00	0.794759 1.32089 1.51268 16.4649 48.09732 2.33890 2.63597 7.92402 1.737.31 186.642 9.10696 144.792 H/A 2.00049 H/A	0.698455 1.15456 1.35080 14.4676 42.2939 7.91556 2.31579 6.97172 1528.62 163.195 0.01890 127.414 7.99371 1.75780 224.155 0.768621
& Bank rate ret	ers to cere	trai bana diko	DENT THE

OTHER CURRENCIES								
.Jan 12	£	5						
Asstraria Brazil Brazil Brazil Greece Hosp Kong Ican KoreaCSUb Kurwalt Locasubourg Malaysia Mexico N.Zealand Singapore Singapore	2.1866 - 2.1889 462 300 - 483,100 6.9415 - 6.9540 17.100 - 523 500 12.7585 - 12.7745 119.455 - 1213,80 0.4875 - 0.4845 60.55 - 60.60 4.9755 - 4.4030 2.8615 - 2.8865 6.1875 - 6.2876 6.1875 - 6.2864 4.7045 - 4.7159 4.7045 - 4.7159	292.400 - 292.700 4.2080 - 4.2110 191.200 - 193.050						

MONEY MARKETS

UK MONEY rates remained firm yesterday following the signal from the Bank of

Eogland during the previous session that it did oot want any immediate change in inter-

With the Bank having lent to

the money markets at 11½ per cent for nine days, dealers are

not anticipating a reduction in rates, at least before the end of next week. Many dealers believe that if there is good economic news and sterling

remains reasonably stable, rates will be cut hy % point to

11 per cent a week tomorrow.

UK clearing bank base leading rate 11.5 per cent

from May 24, 1991

remain. German interest rates

could he raised at the

Bundesbank council meeting

today, while the UK

government's standing in

opinion polls always threatens

to undermine sterling.

Most money dealers believe

that as long as the government

can justify a reduction io

interest rates on economic

grounds, the currency markets

are unlikely to prevent an

easing in monetary policy.

Three months money closed at 11% % per ceot against 11% Longer dated rates were

firmer, with six months at

However, some clouds

est rates.

London rates firm

This positive background has led the foreign exchange markets to believe that signs of a US revival will be contained in important economic data released this week. May producer prices and retail sales figures are published today, while tomorrow May capacity ntilisation and industrial pro-duction data are released.

Fears of central bank intervention have also begun to recede. Earlier in the week there was concerted dollar sales by at least nine central banks, but there is now a growing belief that this was merely an attempt to slow the dollar's advance not to stom it rising. an attempt to slow the dollar's advance, not to stop it rising.

This view was underlined after US and Japanese monetary officials indicated that there would not be a Group of Seveo meeting ahead of the World Reconomic Summit in July. "If there is not going to be a G-7 meeting then it seems

the authorities are not too con-

The dollar closed higher at DM1.7920 from DM1.7725; at SFr1.5320 from SFr1.5135; at Y141.90 from Y141.10; and at FFr6.0750 from FFr6.0150. The dollar's index closed 0.4 point higher at 68.0. Sterling was initially under pressure following an opinioo poll which showed the Conser-

cerned about the current level of the dollar," said Mr David Cocker of Chemical Bank in

vative government trailing the opposition Labour party. But the strength in the dollar the strength in the unitar helped sterling recover against the mark, while the Bank of England's signal that it would not consider an early cut in interest rates also lent support. Sterling closed higher at DM2.9475 from DM2.9450; at SFr2.5200 from SFr2.5150; was unchanged at FFr9.9975; and weakened to \$1.8455 from \$1.6720. Sterling's index ended 0.3 lower at 90.3.

	Rati		Central Rate		LLGUCA.	ledicator
Spanish Pere Italian Lira Belgian Fran Dutch Golide D-Mark Irish Punt Sterling Danish Krone French Franc	153 42/ 23 20 0.76 0.89 7.8		22 -063 19 -026 19 -003 10 -001 10 016 15 0.22		6.04 1.75 1.37 1.14 1.12 0.95 0.96 0.17	81 38 20 9 10 0 -5 -36
percentage di percentage di Adjustment d	a positive change of ifference between the eviation of the carre criculated by Financi	on Constitution. Come entits a weak curre actual market and E acts market rate fro al Times	ncy. Divergence when th central rates for a m. its Eco central ra	is the rai cornsicy, tr.	to between the	o spreads: the ann permitted
Jun 12	Day's spread	Close	One month	4,0	Three months	% pa
US	60 30 - 60.70	1.6450 - 1.6460 1.8615 - 1.8825 3.3150 - 3.3250 60.55 - 60.65 11.3625 - 11.3625	0.75-0.73cpm 0.50 -0 43cpm 1 ₅ -1 ₂ cpm 15-10cpm 21 ₅ -1 1 ₈ 0rcsm	5.40 2.96 2.26 2.48 2.11	2.04-2.01 0.21-0.70 14-15 32-27 5-44	pm 1.60 pm 1.96 pm 1.95

EMS EUROPEAN CURRENCY UNIT RATES

	_								
US Canada	1.86 3.30 60 11.29 1.09 2.93 2.93 2.11.44 9.966 10.54 2.33 20 2.53 1.42 2.53 1.42 2.53 1.42	50 - 11.5000 10 - 10.0025 75 - 10.6020 00 - 234.20 65 - 20.75 00 - 2.5250 65 - 1.4325	1.6450 · 1.6 1.8615 · 1.8 3.3150 · 3.3 60.55 · 61.1 1.1995 · 1.1 2.960 · 2.9 2.60.20 · 36.1 102.23 · 182.23 1.192.23 · 182.23 1.192.23 · 11.4 2.192.23 · 11.4 2.202.23 · 11.4 2.202.23 · 11.4 2.202.23 · 11.4 2.202.24 · 11.4	225 0.50 - 25 - 25 0.58 25 0.58 25 0.58 25 0.58 25 0.58 25 0.58 25 0.58 25 0.50 15 0.5	0.73cm 0.43cm 1-5cm 1-5cm 1-5cm 1-5cm 1-5cm 1-5cm 1-2cm 1-2c	5.40 2.2% 2.48 2.11 -1.09 -0.72 -1.30 1.80 3.53 2.61 3.73 2.61 3.73 2.61 3.73 2.61 3.73 2.61 3.73 2.61 3.73 3.73 3.73 3.73 3.73 3.73 3.73 3.7	0 21-0 11: 5- 0.25-0 14-4 44-77 81-31-1 13:-0.440	1-pm -2/pm 44-pm 1-35ds 1-pm 1-35ds 1-20m 2-4ds 3-pm 1-10m 1-10m 1-50m 1-50m	4.92 1.60 1.96 1.61 1.09 1.95 -1.09 0.18 -0.92 0.18 -0.92 0.18 2.52 3.21 1.28 1.08
DOLL/ Jm 12		Day's	FORW	ARD A	-	ST '	THE D		AR
	_	spread	1.6450 - 1.64		73com	540	2.04-2		4.92
UKt		0 - 1.6585	14940 - 1.49			405	143-1		-3.69
Canada		0 11450	TIGS IN	024	27com	267	0.69-0	74mm	2.50
Setherlands .		0 - 2.0200	20175 - 201		530K	-306	1 44-1	49dk	-290
Befolari		0 36.85	36.75 - 36.8			293	23.00-29		-2.83
Denmark	677	0 6.9050	6.9000 - 6.90		Borrok	-3 27	5 25-5	854ix	-3.22
		0 1 7925	L7915 . L79		44ofdis	-2.08	124	28dh	-2 RZ
Portnozi	157 6	0 - 158.80	158.65 - 158.		0-90dis	6.43		40ds	-5.73
Portogal Spale	1097	0 - 111.00	110.80 - 210			-6.01	156-1	64dB	-5.77
Hale	1315 5	0 - 1331.50	1330 75 - 1331	25 550-6.0		-5.18	16 30-17	30as	577 577 505
Mornay	6.878	0 - 6.9700	6.9650 - 6.97	00 2.18-2	Boretis -	4.01	6,55-7	05dls	-3.90
France	6.005	0 - 6.0780	6.0725 - 6.07			-3.74	5.37-5		-3.57
Secretari	6.334	5 - 6.4450	6.4400 - 6.44			-4.00	6.50-7		-4.22
Japan	140.9	5 - 142.00	141.85 - 141	95 0.21-		-1.86	0.57-0		-1.65
	12,467	5 - 12,5650	12,5600 12.5	650 280-3.2	vgrous	-2.87	9.00-10		-3.06
		0 - 1_5330	1.5315 - 1.53			-2.00	0.69-0		-1.84
Eca	1,150	0-1.1610	1.150g - 1.15	10 0.41-0	38com	4.12	1141	(POPPH)	386
Connectal re Forward press	1 1115 2	ed discounts a	pely to the US	dollar and not	to the Indi	ridual (току.	in US c	misoch
		1111-V	PHEN	14 141	-069	4 176	~ I E-3		
Just 12		Short term	. 7 Days autice	(loç Manth	Three March		Six Months		er er
Sterling		114 - 115	114 - 115	115-115	114 - 1	14	11 - 10%	10%	104

			XCI	MA	GE C	ROS	S RA	TES			_
Jan 12	2	\$	DM	You	F Fr.	S Fr.	K FI.	Lira	cs	B Fr.	ECU
£	1	1.645	2.947	233.5	9.997	2.520	3.320	2190	1.882	60.60	1.14
S	0.608	1	1.791	141,9	6.077	1.532	2.018	1331	1.144	36.84	0.69
DM	0.339	0.558	1	79.23	3.392	0.855	1.127	743.1	0.639	20.56	0.38
YEN	4.283	7.045	12.62	1000.	42.81	10.79	14.22	9379	8.060	259.5	4.89
F Ft.	1,000	1.645	2.948	233.6	10.	2.521	3.321	2191	1,883	60.62	1.14
S Fr.	0.397	0.653	1.169	92.66	3.967	1	1.317	869.0	0.747	24.05	0.45
HFI.	0.301	0.495	0.888	70.33	3.011	0.759	1	659.6	0.567	18.25	0.34
Lira	0.457	0.751	1.346	106.6	4.565	1.151	1.516	1000.	0.859	27.67	0.52
CS	0.531	0.874	1.566	124.1	5.312	1.339	1.764	1164	1	32.20	0.60
B.Fr.	1.650	2.715	4.863	385.3	16.50	4.158	5.479	3614	3.106	100.	1.88
ECU	0.874	1.438		204.1		2.203	2.902	1914	1.645	52.97	1

FINANCIAL FUTURES AND OPTIONS

LIFFE LING GRT FUTURES OFTIONS 650,000 648s of 100%			LIFFE US TREASURY NORD FUTURES OFFICES \$100,000 64tm of 100%			LIPPE MIND FUTURES OF 18045 180250,600 points of 180%									
	Strike Price 86 87 88 89 90 91 92 93	3-08 2-21 1-40 1-05 0-44 0-26	mets De: 4-27 3-43 2-63 2-24 1-55 1-94 1-50	Pets-18 Sep 0-10 0-18 0-31 0-90 1-15 1-54 2-36 3-26	tilements Det 0-25 0-51 1-67 1-52 1-43 2-35 3-12 3-58	Strikt Price 89 90 91 42 93 94 95	Catis 48 580 3-51 3-01 2-19 1-46 1-11 0-50 0-33 0-21	1-18 0-47	Pott-R Sep 0-25 0-39 0-57 1-49 2-49 2-54 3-59	14500016 1455 1-287 1-555 2-237 2-599 3-366 4-177 5-01	Surfax Prinze 8350 8400 8450 6560 8560 8660 8660	\$4 2.05 1.62 1.22 0.86 0.39 0.24 0.15	Dec 2.48 2.09 1.73 2.40 1.11 0.87 0.57	Sep 8 10 0.17 0.27 0.43 0.65 0.94 1.79 1.70	0.28 0.28 0.39 0.53 0.70 0.91 1.17 1.47 1.80
	Previous o	d volume total day's open bit. (. Cails 4 Cails 89	(4) Paris . 15 Paris 10	375 1286	Estimates Previous d	i rolaite t Lity sepen i	etal, Calis (let. Calis 63) Puts () 2 Puts 275	5	Egianatei Previous I	ky'i oper i	pial, Calls 46 or, Calls 46	9257 Patr 963 Patr	2992 11796
		USDELANK OF eats of 190%					PRODUCE A	2 8FT9085 09%				iver ste paids of	ling opt inch	10(15	
ı	Strike	Cally-settle	ments	Pats-R	tilements	Strike	Calis-st	ettlements	Pats-ra	zienents	Strike	Calls-se	enterents The	Patti-se	ttlement Sen

CHICAGO

90-27

PHILADELPHIA SE 1/5 OPTIONS £31,250 (cods per \$1)

PTION ON LONG-TERM FRENCH PAND (MIXTUS)

ABII Bask
Adam & Company
Allied Trust Bask
Alb Bask

Meary Andstoher
B & C Merchant Bask
Bask of Baroka
Bask of Baroka
Bask of Baroka
Bask of Faroka
Bask of Faroka
Bask of Faroka
Bask of Faroka
Bask of Fretand
Bask of Ireland
Bask of Ireland
Bask of Ireland

Bank of Scotland
Banque Belge Ltd
Barciays Bank
Benchmark Bank

Brit Bik of Mini East.___

94.38 94.20 93.75 93.57 93.19

93.75 93.75 92.75 92.57 92.55 91.54 91.54

Sep 2.00 2.82 3.92 5.30 6.89 8.56 10.53

38,305 37,045 4,817

Puts. Dec.

16,553

Michonnell Bourglas Bak. 11.5
Mitland Bank. 11.5
Ment Bank 12.5
Manuary Bank 12.5
Mitland Bank 12.5
Mitland Bank 12.5
Mitland Bank 12.5
Mitland Bank 12.5
Routeryte Bank 1.1.
Routeryte Bank 1.1.
O South & Withow Ses. 11.5
Standard Clartered 11.5

69,123

BASE LENDING RATES

CommuSit of Location Pic

9,600

9125 9150 9175	0	0.01 0.03	0.34 0.59 0.84	0 42 0.64 0.87
Estimated to Positions da	ofore to	ezi, Calis	1201 Puts	1005

LOND	ON (LIF	FE)		
	9% MITTEL 32mb of 18			
Jun Sep	Glose 89-25 89-27	89-31 90-06	Law 89-24 89-24	
Estimated Premous o	volume 190 lay's open in	000 (22065 L 33847 (33995) 33995)	
old Barrie	Time being			

\$100,04	0 32nds of 1	6 8%, 98%,		
Jun Sep	93-08 92-13	High 93-26 92-30	93-08 92-12	93-25 92-30
Estimate Previous	d volume 163 day's open le	19 (1.306) L. 3342 (3	3329	
6% NO	WALL GENE 100 1000s of	LUT COVT.	BORD	

Sep Dec	85.45 85.70	85.62 85.83	85.42 85.80	85.5 85.8
Estimate Previous	i volume 280 day's open le	25 (21)60 L 68985 (2	70235)	
6% NOT BOND YI	DHAL LONG Own Little	TERM JAI of 108%	AMESIC GO	wt.
Sep Dec	94.61 94.87	High 94,80	94.60	

Dec	94.87			
Eglante Litte's A Exchange	d volume 820 GB contract é e's Actomates	CISI) s traded ear PA, Tradio	iustvely on System U	the PT).
9% ROT ECU 200	10101, ECU 1 ,000 1000s	100%		
	Class	Lilate	100	Person

Sep Dec	98.82 98.92	High 99.00	98.30	Prev. 98.96 96,98
	d volume 549 day's open le		468)	
THREE	CONTH STER	UNG 10%		
Jun Sep Dec Mar Jun Sep	Clost 88.80 87.60 89.88 89.90 89.60 89.41	Righ 88.82 89.64 89.93 89.93 89.55	Low 88.76 89.56 89.85 89.88 89.39	Pres. 88.81 89.65 89.94 89.66 89.44
Est. Vol. Previous	Cinc. figs. no day's open in	t shown) 3 L 143003	0724 (5102 (139117)	209
THREE)	MATH EUR	HOULLAK		

Sim pole	4 of 106%	HALLAS		
Juni Sep Dec Mar	Close 93.76 93.39 92.77 92.56	High 93.76 93.43 92.82 92.62	93.74 93.36 92.77 92.56	93.76 93.45 92.86 92.66
Est. Vol. Previous	Cinc. figs. no tay's open in	t shown) 4 L, 38935 (687 (3229) 39302)	•
THREE M	elets of 100	MARK %		
Jun	90.91 90.89	High 90.96 90.99	90 91 90.89	90.98 90.98
Sep Dec	91.05	91.14	91.05	91.13

mar Jen Sep	91.50 91.68	91.56 91.74	91.51 91.67	91.5
Estimate Previous	d volume 315 day's open in	793 (1.4972 L 113624	01132040	٠.
THREE N	PORTH ECU points of 10	-		
	Close	High	Low	. 89.9
ميال	89.99	90.00	89.95	. 89.9
Sep	90.30	90.39	90.29	90.3
Sep Dec	90.55	90.60	90.53	90.6
Har .	90.79			90.6 90.8
Estimate	volume 119	0, 69063		

FT-SE 1	80 BOEX	<u></u>		
Jan Sep Dec	2524.0 2571.0 2510.0	High 2547.0 2594.0 2614.0	2523.0 2571.0 2614.0	Prev. 2554.0 2600.0 2639.0
Estimate Previous	day's open is	68 (1.4726) R. 32779 (33286	
EURO SI SFR Jus	WESS FRANC points of 10	0%		

ign Sep Dec Mar	91.87 92.12 92.40 92.60	91.91 92.20 92.46	91.87 92.10 92.46	91.89 92.18 92.45 92.75
stimated revious d	rolame 182 lay's open la	3 (1884) L 15774 (158480	

FOREIG	N EXCHANG	BATES		
Spot 6455	1-nstb. 1.6381	3-mth. 1,6253	6-mth, 1.6101	12-mth 1.5883
M-STEN	DNG Ss per Æ			
# 9	Latest 1,6508 1,6308 1,6150	High 1.6534 1.6342 1.6150	L6472 1.6472 1.6280 1.6150	1.6560 1.6362 1.6216

Yeo per 1,000; French Fr. per 10: Lira per 1,000; Beigian Fr. per 100.

11.00 a m. Jan 12)	3 months US dollars	6 montin	US Dollars
bid 64e	offer 6%	bid 64	after ble

		MONEY RAT	ΓEŞ	
NEW YORK		Treasus	y Bill	and Bonds
Lunch1ime		One month	4.96 5.68	Three year
Prime rate	872	Darge encents	573 6.05	Fire year
Broker loan rate	75 54	Sha month	6.41	Seves year
Fed founds at Intervention	-:	One year	7.02	30 702

	*******	~~	
tomorro	w.		
		et este	s eased
slightly	after 1	he Bun	desbank
injected	Houidi	tv into	the call
			The
Bundes	bank's	. mov	e was
			empt to
dampen	Specu	lation	about a
rise li	l Lace	з пет	ore its
		il	
honca-se	ermig (ZJULKIL	meeting
today.	_		
www.			

11-10% per cent from 10%-%. In the futures market, the June short sterling contract shed 2 points to 88.79, implying an interest rate of 11.2 per cent. The Bank of England met

most of the market'e liquidity shortfall yesterday, injecting £632m against a forecast

shortage of £700m. A shortage of around £600m is expected

Rising German wage settlements, strong economic growth and the weak Dentschemark has led to speculation that the Bundeshank conld raise interest rates soon. However, some analysts believe the Bundesbank will be reluctant to tighten policy before the World Economic Summit in

July. In New York the Fedaral Reserve addad \$1.5bn of liquidity to the markets by way of customer repurchase agreements. At the time of the Fed operations, Fed funds were trading at 51 per cent, down slightly on the day and just below the Fed'e perceived

FT LONDON INTERBANK FIXING

unch1 lime						
		one month		4.96 Three	year	7.46
rime rate refer loan rate ed funds ed funds at Intervention	. 84 75 . 54	for meath Three month Sta menth One year Two year		5 73 Five y 6.05 Seves 6.41 10-ye)64	7.97 823
Jun 12	Overnight	One Month	Tero Mandis	Three Mosths	Şis Monüs	Logitard Intervention
racifurt. aris a	0.70-8 80 98-101 74-75 9.00-9 13 81-82 105-104 84-9 104-105	8.75-8.90 95-94 75-81; 9.04-9.14 73-71] 111-1112 812-9 104-104;	8.80-8.95 9%-9½ - - 10%-10%	8.85-9.00 92-98 73-84 9 67-9.14 78-74 114-114 91-92 104-104	10-10-F	9.00 9.25 - - - -

LONDON MONEY RATES						
Jun 12	Overnight	7 days notice	Ose Month	Three Months	Sia Months	One Year
Interbank Offer Interbank 34d Sterling CDs Local Authority Deps Local Authority Deps Local Authority Bonds Discount Mikt Deps Company Deposits Flanner House Deposits Flanner House Deposits Flanner House Deposits Flanner House Deposits Fine Trade Bills (Bay) Dollar CDs SOR Linked Dep. Offer SOR Linked Dep. Bid ECU Linked Dep. Offer ECU Linked Dep. Offer	i - i	115	115 115 115 115 115 115 115 115 115 115	111111 - 22 - 22 - 22 - 22 - 22 - 22 -	11 103 103 103 104 104 104 104 104 104 104 75 911	1044 - 9381354 1044 - 9381354 1047 - 9381354 94

Tressury Bills (sell); one-month 103; per cent; three months 103; per cent; six mostiss 104; per cent; Bank Bills (sell) one-month 114; per cent; three months 103; per cent; Tressury Bills, Average tender rate of discount 10 7195; p.c. ECGD Fixed Rate Sterling Export Fisance, Make up day Bilay 31, 1991. Agreed rates for period June 26,1991 to July 25, 1991. Scheme I: 12.75 p.c., Scheme II 48; III: 22.87 p.c., Reference II 48; III: 22.87 p.c., Scheme Bilay III: 12.87 p.c. Local Authority and Finance Houses seven days notice, others seven days fixed Finance Houses Base Rate 12 from June. 1, 1991: Bank Deposit Rates for some seven days motice 4 per cent. Certificates of 7ax Deposit (Series 6); Deposit Extro (000) and over held under one month 91; per cent; there months 10 per cent; three-six months 10 per cent; shallow month 91; per cent; there would 91; per cent; Under £100,000 and over held under one month 92; per cent; nearly months 92; per cent; Under £100,000 aper cent from May 28,1991. Deposits withdrawn for cash 5 per cent.

ij

| 11.5 | Strokank | 11.5 | Unitarik ptc | 11.5 | | 12 | Gerinness Malson | 11.5 | Uniter Bic of Komaft | 11.5 | | 11.5 | Hamsber Bank | 11.5 | Unity Trust Bank Ptc | 11.5 | | 11.5 | Heritable & Ges Ior Bank | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Giff Samed | 11.5 | Western Trust | 11.5 | | 11.5 | Western Trust | 11.5 | Western Trust | 11.5 | | 11.5 | Western Trust | 11.5 | Western Trust | 11.5 | | 11.5 | Western Trust | 11.5 | Western Trust | 11.5 | | 11.5 | Western Trust | 11.5 | Western Trust | 11.5 | | 11.5 | Western Trust | 11.5 | Western Trust | 11.5 | | Western Trust | City Merchants Bank Crylesdale Bank **GATWICK TO SPAIN ON BUSINESS** WITH VIVA AIR — IBERIA'S SISTER AIRLINE DESTINATION PY141 . 10.45 MADRID

L	30 VI	MES OF STAN		
	•			
]	TEL	EPHONE: 071-		AFBD MEMBER
É			2531 -22 2578 -21	WALL STREET Jun 2960/2972 -27 Sept 2982/2994 -28

PLUS RUGHIS TO OVEDO, VIGO, MALAGA, PALMA AND ALICANTE

CAL INVESTMENTS LIMITED INVESTMENT MANAGEMENT IN FOREIGN EXCHANGE AND FINANCIAL FUTURES CALL PAUL GLEESON ON TEL: 071 799 2233 FAX: 071 799 1321

HOW WELL DID YOU JUDGE THE MARKET?

Gold & Silver to rally? Phone or write to David Kerly (Senior Analyst) 071-73:17174 Chart Analysis Ltd. 7 Swallow Street, London W1R 7HD



FUTURES AND FOREIGN EXCHANGE

CAL Futures Ltd Windsor House 50 Victoria Street London SWIH ONY Tel: 071-799 2233 24 HOUR COVERAGE Fax: 071-799 1321

ANCELONA

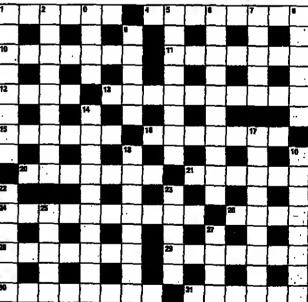
MONEY MARKET FUNDS



JOTTER PAD

CROSSWORD

No.7,567 Set by CINEPHILE



Insect observed to take wing

turn (3)

10 Way of thinking that
doesn't come at once to a

student (7)
11 Flavouring: direction's

almost an insult (7)

Missile on moor (4)

Too heavy to give her two, possibly (10)

Carriage of a bill during conflagration (6)

Golfer with ability to with-

16 Golfer with ability to with-draw? (7)
20 Economise taking in helf summer months for winter sports (3,4)
21 Business operation making cyanogen, no less (6)
24 Grotesque changing shirt with enemy of religion (10)
26 Grip in place of evil (4)
28 Underhand number circumventing awkward rut (7)
29 Clothing time? Rubbish! (7)
30 Asks about goals (8)

30 Asks about goals (8) 31 Position of pointles representations (6)

DOWN

1 Cover, if put in a sance,
makes it thicken (8) on beach (9)

2 Paper indicator may be high on Heath (9)
3 Adventure of early riser (4)
5 It isn't practical to steal (3)
6 Learn grief, sadly, becoming butts? (5,5)

7 Move shoulders partly on to carpet (5) 8 Number's up in bend of Tyne (5)
9 100 - 0? Could be a hitch (5)
14 Scheme on French island could be a ball (10)
17 Don, in fact, may be someone to tell (9)
18 Coming ioto ootice of schemer, gentlemanly type (8)

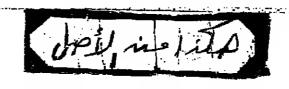
(8)
19 Final hlaze observed rising from mountains (8)

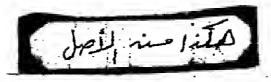
22 Foreman who drops bricks?

(6) 23 Gentlemanly savant's habit

(5)
25 Little time for Iraq to change it's man name (5)
27 Saw distress on musical instrument (4)

Solution to Puzzle No.7,566





WORLD STOCK MARKETS

			W	ORLD STOC
AUSTRIA June 12 Sch + of	FRANCE (coalisand)	GERMANY (continued) June 12 Day, + sr —	METHERLANDS Jana 12 Fis. + M-	SWEDEN (continued) June 12 Krimer, ++r-
Antifan Aldines 3350 450: Confirmation 3,715 425 EA Court 4380 51 EVI 884 4 Amplioreisurer 9,910s -10	Sourcin	Colonta Vers	8\$ Aury Baidry 38.40 -0.20 ACF Holding 22.20 ACEDH 121.30 +0.30 Ahohi 80.60 117.50 +0.40	Ericsson B Free 199 41 Essette B Free 167 +2 Gasstre B Free 230 45 Ma Sha Syn B Free 275 -15
Managadia	Carreloir 2,101 +9	Di.W	AMEV	Nobel Free
Section 1.510 410 Bather Break/th .908 -2 Beliegottes Bree .2070 -140 Stay Daimler .405 11 Wester Magasit .725 -4 Wester Magasit .725 -4	Getates	Douglas Ridg 827 -2	Centrale Setter 85.90 +0.10	Standia Free
Wigneyberger 5.790 -40	Climents Fr 350 45	Fag Kagelfischer 277.50	Esevier Dp Rets 86.60 -1.50 Folder	SCA 8 Free 113st -1 Sria Handi 8 Free 127 Trelleborg 8 Free 147st -2 Volvo 8 Free 357 +5
Appel 12 Frs. + or -	Credit Hatlogale 1, 238m +1 Damart 2036 -18 Docks de France 3, 966m -29 Docks de Hatlog Cle 380.50 -6 EBF 222 -6	Hanso Lloyd	Heinekert	
881 2730 30 Said hou 2 122 10 950 Said Said 12 50 Said 1252 16	Exity Cle Geni 2,683 -27	Herfitz	INC Callant 62ar -0.50 tot. Recorand 52.10 +0.10 tot. Recorand 52.10 +0.10 tot. Recorand 52.10 +0.10 tot. Recorand 53.20 -0.10 Kernpes 10.30 +0.10	SWITZERLANS June 12 Frs. + or - Adra Intl (Br) 772 -28
Cabepa AFV 1 5 150 -20	SIT—Agaitates 367 - 6 - 50 Till Agaitates 267 50 - 1 50 Till Agaitates Parts 285 50 - 1 50 Till Agaitates 267 50 + 6 40 Till Agaitates 27 50 + 6 40 Till Agaitates 27 50 + 6 40 Till Agaitates 27 50 T	Horten	Hijverd-Tee Cate 95	Adia Ptg Cts
Cobust 13355 -25 Cobust 7 3355 -25 Deltatus Fry Lieu 7 8506 -20 Electrobel 4505 -5 Electrobel 455 -5 Electrobel 55	Epromarche 4,000 -120 Eror 1,444 -1 Flaestel 134,20 -0,80	Klockner Werke 153 . +1.90	Ommerer (Van) 43.10 +1.30	Srown Boseri (18.1 4,490 40 Sriwn Boseri (19.1 8402 CS Hidgs (19.1 1,93525 Clas Galgy (19.1 2,93030 Clas Galgy (19.0 2,52030 Clas Galgy (19.0 2,52030 Clas Galgy (19.0 2,52030
Electration ACT 3,098mf -5 fabrique Mat 11,7 -2 CS1 3,900 +10 CS1,AFV 1 3,700 -1400 fd CSI Group AFV 1,328 -2 CSI	Fone Lyonstaire	Laleneyer	Phillips 32 -0.56 PolyGram 35.70 -0.48 Resear 101.50 +6.10 Resignam 56.30 +0.10 Resignam 66.40	Cha Selgy (**Chi)
E/S Group AFV 1325 -2 Section 820 -4 Gadress AFV 764 -14 Aggregate Samples 5,100 +90	Geophyshae	MAN 388.50 -6.50 MAN Pref 305.50 -6 Mannesmann 290 +1.50	Regal Dutch 159 -0.80 Usiliever	Holdstoff (Br) 5,850 -150
6repri 7,110 Konflightenk 4,450 +50 Roughethk AFV 4,500	imetal 345 +5 hum de France 1.215st +15 humobanque 660 +2 lumob Pissalx 190 -3 ladustrielle 4.386 -15	Merceries Hid	Wessmen	Julmeit Pig Cis 325 Laudi: 4 Gyr
Powerfin 2.370 -40 Powerfin AFV 2.350 -15 Royale Beige 4.165al +30	bissis de France 1,215at 135	Preussag	June 12 Kruser + er - Alter A Free	Mag Globos Ptg 575 -5 Milyron (Rrg) 440 -10 Motor-Columbias 1,450 +15 Mestle (Reg) 8,600m -90 Nestle (Reg) 9,520m -90
Royale Beine	1 Oreal 309 -12 1 cyrase 3,500 +25 1 cyrase 3,500 +25 1 cyrase 474st +4 1 contrance 474st +4 1 contrance 230,50 -7 8 cyrase 105,90 -2 8 cyrase 105,90 -2 8 cyrase 105,90 -2 8 cyrase 147,90 -49 8 cyrase 147,90 -49 8 cyrase 133 -1 8 cyrase 133 -1 9 cyrase 120,10 -2 9 cyrase 276,60 -3,50 9 cyrase 1,23 -3 9 cyr	Ricin West El 41.7 -2 Ricin West El 336 -3.80	Dyno Ind	Pargess Hid
Softies 12 109 - 100 Softies 15075ml Temperature 7,990 - 110 Lessynderio AFV 6,990 - 80 Junicipies 8,120ml +70 Locksher AFV 1 7,950ml +75 UCB AFV 18,000 - 675	Merin Gerin 500 -2 Micheltu B 105.90 -2.10 Moolines 147.90 Mavigation Miste 1,250 -49	Rosential 323 -1 307 -4 5chering 307 -5 5chering 307 -7 5chering 307	Kvaerner Free	Roche (Seress) 4,790st -20
UCB AFV	Nord Est 135 -1 0PP 1,780 -73 0rsag 200.10 -2.90 Parties 554 -5 Parts Rescumpts 276.60 -3.50	Varia 358 +2 Veha 366.50 -2 Vew 329.20 -0.80 Verein-West 321 -0.50	Hersie Stop A Free	Strange OLCS 1,050 -20 Stra Reg A
DENMARK Juon 32 Kr + m - Battles Notching fire 779 +2	Person 1,299 +12 Person Ricard 1,175 -35 Person 1,528 -3 Person 524 -7 Ricard 1,175 -37	Viag	Stranger 0 MJ	Swiss Bank (Br), 329 -5 Swiss Bank Pkg 295 -3 Swiss Rejamerance , 2,920 -20 Swiss Rejamerance , 2,920 -6
Silodon 328 41 Carisburg A 1,690 0/5 1912 A 1,09 900 4700 Danisco 957 45 Der Danisle Baris 352 45	Polist 458.50 +2.40 Priestangs (Ay) 640 +1 Promodes 2.268al -32 Radieteche 225 -5		SPAIN June 12 Pts. + ar	Swiss Vollisht 1,410 -5 Union Bank Br 3,630 -90 Union Bank Ptg 143,50 +0.50 Winterther 4,040 -50 Winterther Ptg 754 +2
Der Dacker Bark 3522 45 45 45 45 45 45 45	Polish	ITALY June 12 Lire + se -	Alba (Corp Fin) 5,890 -70 Aragonesas 1,600 -15	Zurich ins
ISS Int I Serv B	Sagen	Banca Conns 4,990 +30 Banca Maz Agric 7,740 +30 Banco Larleso 6,415 +35 Bastogl-J R 8 S 241 +1 Burus (Cartiere) 9,710 +50	Astand	SOUTH APPECA
Description	Seftines	CRR 2,886 +15 Caffara Spa 930 +22 Cementir 2,200 +55 Cigahotei 2,851 +54 Colide Fin 2,990 +30	Baseto Santander 5,460 -30	June 12 Rand + er -
FINLAND June 12 Was + or -	Sommer-Alibert 1,630 -2 Spie Batigoolles 599 -2 Spez (Fin de) 568.50 -2.20 Taittinger 568.50 -4.20 Thomson GS F 149.50 -0.90	Banca Rax Agric. 77440 430 Barco Larleso. 6 415 435 Bastogi-1 R 8 5 241 41 Burgo (Cartiere) 9,710 450 Cal? 2,886 415 Cal?ars Spa 230 422 Cementir. 2,200 455 Cightotel 2,851 454 Colide Fis 2,990 430 Credito Italiano 2,748 48 Daufell & C. 8,790 -20 Eridania 7,635 -5 Ferruzzi Fis 2,306 499 Fist 1 4,50 4129 Fist 1 2,306 499 Fist 1 4,50 4129 Fist 1 4,50 425	Enri Agricolas 3 030 -45 Electra Viergo 2 660 420 Entesa (Br) 2 435 445	Angle Am Ceel
Amer 72 Cartor 53 Ess R 17 -1 Industrials Free 101 -7 KOP 35 -1.80	Total F7 Petro B 81511 UAP	Ferrazzi Fia	Hidrola 580 -3	DesBers/Centesary 78.25 +0.50 DesBers/Centesary 8.35 -0.15 DesBers/Centesary 42.50 -0.50
KOP 35 -1.80 Kork 50 -1.80 Kork 70 +1.50 Metra 8 Free 75 Notice From 98 Poblicia 8 Free 82 -11 Porola (Erea) 57 28 -3 50	Unicon learneds Fr 575 -4 Vales	Gentsu 1,650 Generali Assictor 3,600 490 Giltardini 3,720 4165 IF1 Priv 16,750 4330	Interdero	East Rand Gold
Stockmans B 132.	GERMANY June 12 Day, + or -	Flat	SNIACE	Gold Field SA
TUBY C	AEG	Mediobarca 11,750 Montedison 1,516 -2 Olivetii 20	Tabacateri A	Cloof Gold
Accor	Altana Ind	Previl Spa	Illian y el Festr 4,850 -20 Uralita 2,170 45 Uralita 1,275 45 Vallebermoso 3,235 -50	Margoria
Applement Priors 2.114a -16 Audi Entrepr 1.081 -53 Aka 1.042 -17 BIG 749 +11 BSW 905= -14	8ademerk	Saffa A	SWEBER Jane 12 Kreev. + tr - AGA 9 Free	Plast Plat
Accor 799st -6 Accor 799st -6 Air Liquide 676st -6- Alcatel Alathoni 89 -12 Arjonaya Prions 2.114st -15 Andii Entrepr 1,081 -53 Addi Entrepr 1,081 -53 Addi Entrepr 1,082 -17 BIG 799 +11 BSM -799 +11 BSM -79	AG hul & Vert	Mediobanca 18,750 -2	Acres 8 Free	SA Man Amoor 25.50 +0.50-17
JAPAN June 12: Yes: + or			Jan 12 Yas +s-	AUSTRALIA (continue) Jane 12 Aust5 + sr - Net Aust Bark 6.68 +0.10
All Misson Strates and	Japan Steel Works, 815 -1 Japan Storage Bati 845 -25 Japan Syn Rubber 657 +6 Japan Wool	Nilgatz Eog	Taknota Electric 1,060 Takara Shaza	Neurons Mining 1.18
	Jeses 1,580 -50 Kagome 1,250 -20 Krijima 1,590 +10	Nippon El Gless . 1, 910 -00 Nippon Express . 390 -20 Nippon Fire	Tot Good Chen led 82221.	Plomer MU 241 +0.01
Aputo Oremical 764 -6 -Anali Glass 1.300 +10 -Anali Glass 1.300 +10 -Anali Glass 620 -2	Karder Pharm 1270 -20 Kanderko 3030 -18 Kanderko 704 +4 Karenatsu Corp 719 -5 Karenatsu Corp 719 -5 Karenatsu Corp 719 -5	Nippon Kayaha 822 -2	Tobs Railway	Pincer Pac/fit
Asics Corp	Kagone 1,250 -20 Kajima 1,530 +410 Kajima 1,530 +410 Kasen Pharm 1,270 -20 Kanderko 3,030 - Kanebo 560 -18 Kanebariachi 704 +4 Kanebariachi 704 +4 Kanebariachi 704 +4 Kanebariachi 704 +5 Karsai Peinti (6) 3 -5 Kap Corp 1,200 - Kansai Peinti (6) 3 -5 Kap Corp 1,200 - Kansai Peinti (6) 3 -5 Kap Corp 1,200 - Kansai Peinti (6) 3 -5 Kap Corp 1,200 - Kansai Peinti (6) 3 -5 Kap Corp 1,200 - Kansai Peinti (6) 3 -5 Kap Corp 1,200 - Kansai Peinti (6) 4 Kansai Peinti (6) 4 Kansai Peinti (6) 53 -7 Kansai Kansai Kansai (6) 53 -7 Kansai (6)	Nippon Palmt 829 43	Toldo Blades 1 240 -20	Swith (Hwd
Calpis Food 1,260 -20	Keltula Elex Express 91014	Minimus Salarana 1 - 5111	Tolory Gland 180 -18 100 -18 Tolyo Gland 190 -10 Tolyo Electron 3,770 -7 Tolyo Electron 3,770 -7	THT 0.86 +0.04 Tyou live 1.15 Western Mitring 4.83 +0.05 Western Mitring 4.83 +0.05 Westfield frost 1.90 +0.02 Western 4.53 +0.13
Canin Sales	Kote Steet \$10 -7	Minnon Sulsan 520 -10 Magail TV Returns 25,300 +100	Tokyo Style	Westpar 4.53 +0.13 Wooklde Pet 3.33
Calizes Watch 1030 +10	Kohan 3560 +50	Nispon Yuses	Tokye Land	Island Richic June 12 H.K.\$ + nr - Amory Props 4.37 -0.03
Citizes Watch	Kusieta Corp 71.7 -5 Konsagal - Genel 765 - ±3 Kumial Chemical 860 - 14 Kurabo led 89377	Nissan Motor 725 -4 Kissel Sangyo 1,990 +10 Missah Fleur 1,990 -60 Misshie Off 1,020 -10	Torry Ind 633 +3 Toshiba Elect 753 +2 Toshiba Elect 753 +2 Toshiba Elect 753 +2 Toshiba Machinery 866 Toshiba 1,430 Toshiba 1,430	Amop Props 4.37 -0.03 Bank East Asia 17.30 -0.10 Cartisty Pacific 8.30 -0.10 Chaing Kong 18.60 -0.10 Chies Light 19.90 -0.10 Chies Hotor 26.20 +1.50
Darke Street	Kuraray	Hispan Motor 725 4 Hispan Motor 725 4 Hispan Motor 1,990 +10 Hispan Missala Flew 1,990 -60 Hispan Missala Flew 1,100 -10 Hispan Missala 500 -9 Hispan Missala 500 -9 Hispan Missala 500 -9 Hispan Flew 1,530 +20 Hispan Missala 500 -9 Hispan Flew 1,530 +30 Hispan Motor 2,670 -30 Hispan Motor 3,91 -22 Witto Depine 1,570 -30 Horitake 1,990 +10 Horitake 1,230	Toyo Construct	9aby Farm let! 11 +0.10
DarReary Inc	Kyoukins 1,620 +10 Kyoukins 1,180 -20	Mkto Brack	Toyo laik 600 -10 Toyo Jose 740 -2 Toyo Caretus 1,210 +20 Toyo Series 3,750 -20 Toyo Series 3,750 -20 Toyo Series 4,700 +10 Toyota Motor 1,790 +10 Toyota Motor 5,790 -20 Toyota Motor 5,790 +10 Toyota Motor 1,790 +10 Toyota Motor	Hang Ling Dev 6.95 40.05 Hang Seng Bank 26.50 -0.30 Hartsear Centry 7.50
Datshows Paper 3,900 +420 Dat Tokyo F&M 970 -5	Lion Corp	Odalny Electric Ray 960 9 Obtonyachi-Goral 1.046 +10 OB Paper 8473 Old Electric 6984 Oltman Com 1.15040	UBE inds	#K & Sheephal Hebri 4.42 40.02 HK & Alexandr
	Maeda Corp 1.450 -10 Makino Milling 1.160 -10 Makino Milling 2.230 440 Marsian 600 -5 Marsial Food 1.230	Octative Electric Roy = 960 = 9 Obstoyrabil-Gardi = 1,040 + 10 OB Paper = 947 - 3 Olis Electric 696 - 4 Obstour Corp = 1,150 - 40 Obstour Corp = 1,150 - 20 Obstour Corp = 2,110 + 20 Out Corp = 2,110 + 20 Out Corp = 2,110 + 20 Out Corp = 3,150 - 20 Owner Electric 656 = 9 One Plann = 1,750 - 25 Orient Corp = 3,370 + 40 Octate Gas = 517 + 3	Victor (JVC) 1,520 -40 Wacosal 1,100 +30	HK Land 810 -0.05 HK Barly 4.7rA 5.35 40.05 HK Telecom 6.55ml Hopewell Hides 3.25m -0.02
Ebara Corp 1, 510 -10 Eisal 1,830 -40 Ezabi Glico 1,120 Facus 5,300 -50	Manuferi	Owter Knithans 1,730	Yansaka Corp	
Fado Construction (* 886 - +3 Fall Bank (* 2,690 +20 Full Electric (* 900 +2 Full Film (* 3,350 -20 Fall Fire & Market (* 1,050 +30	M*shiz Refrig 1,000 Manta Mater Corp 587 +1 Meliji Selta 745 -5 Meliji Selta 693 -7 Mersan Corp 1,120 -30	Prime Meet Pack 652 -13	Yantazaki Baking . 1,740 -10 Yasuta Fire 904 -19	Jardine Bril Mrr 3.65 Jardine Blath 33.50 -0.50 Jardine Stath 33.50 -0.50 Jardine Stath 33.50 -0.50 Kowloos Motor 7.15al Mees World Der 10.30 -0.10 Rew World Der 10.30 -0.10 Rew World Der 9.15 +0.05 SHK Prass 18 +0.10
Fuji Heary 102 465	Marciae Corp 1.120 -30 Mischel Coca Colo 2,760 +30 Mischel 790 -4 Mischel 624 -4 Mischel 624 -4 Mischel 750 -80 Mischel 750 -8	Regal Co	Testanda succi	Stary Bros 4.20
Fujitse 1.090 -10 Forologia Elect 769 43 Galdien 1.300 +30	Minota Camera 624 -4 Misowa Home 1,620 -60 Misowa Home 1,620 -60 Misowa Home 1,620 -60 Misowa Home 2,750 -10 Misowa Home 2,750 -10 Misowa Home 2,760 -4 Misowa 2,760 -4 Misowa 2,760 -4 Misowa 2,760 -4 Misowa 2,760 -5 Misowa 2,760 -5 Misowa Misowa 2,760 -2 Misowa Miso	Samra Sank 2,340	Yours Buttery Co 1,060 -20 Zentel Corp 837 +1	What Holdings 8.90
	N bishi Rasey and	Sanyo Electric	AUSTRALIA Jane 12 Aust5 + or - AFP	Witeler led
	M blask Paper 630 44 M blask Paper 630 44 M blask Paper 636 4 M blask Plantics 659 -1 M blask Bayon 906 -9 M blask Bayon 1,110	Serjon Koksastor 627 -4 Sapporo Bress 1,270 -20 Sactor 250 Sector 250 Sector 250 Sector 250 Setor 7,200 Setor 7,200 Setor 7,200 Setor 7,200 Setor 1,700 -40 Setor 7,700 -40 Setor 1,400 -40 Setor Corp 1,400 -40 Setor Corp 1,400 -40 Setor Elector 1,400 -40 Setor Elector 3,100 -44	AWA 0.61 40.01 Aberfoyle 3.65	BALAYSIA June 12 SIVR + or -
History Electric 5.850 4150		Selfani House	Artition 130 +0.02 Artition 3.49 +0.07 Artition 3.49 +0.07	Boustand 251 -0.01 Hosp Leone Creft: 410 Mainyan Bankleg 7 Malayan Steff and 218 +0.03 Motif Perpose 132 Mark Perpose 132 Mark Perpose 156 Mark Perpose
Hino Motors 925 2150 Hiso Hisos Pieserie 3, 850 Hiso Hisoshima (Bando 950 Hisoshima (Bando 950 Hisoshima (Bando 1130 Hisoshima (Band	Wilstel Co. 50hp	Shio-Etsu Chem 1,570 -30 Shionogi 1,070 -20	BIR Nylex	Public Sant 1.59 -0.01. Sime Darby 3.90 +0.02
	Hirmi Real Estate 1,410	Stockicu 1,970 1,	8ridge 011 0.60	32HCAP485 Jane 12 SS + er -
Holitaile Elect Pwr. 2,530 - 50 Holitaile Valuel 995 - 49 Holitaile El Pwr. 2,570 - 20 Honda Motor 1,460 + 30 Honshi Paper 995 - 65	Itsopost 1.230 -10	Shows Shell Selt 1,540 Skylark	Culter Aust 2.75 -0.01 Coal Attler and 8.50 +0.06	Oshi Surage 3.02 +0.02 DBS
Horse Food Ind 1920 Hoya Coto 2,010 +10 Hil 690 Bara Chemical 500 11	Bitmen Sporting	Stanley Electric 913 -7 Supitomo Babelito 681 -8	Consider	Higher 4.50 +0.02 Kappai Corp 7.75 9CBC 11.40 +0.10
thregami Isotolius 1.560 -16 tuaz Indust Bark Japan 3.620 +29 Isobi & Co	EC Corp 1,410 +10	Strategie Care 1,050 -10	Cremide	S'pore Air Free 19.60 +8.20 Steamer Press 9.05 Straits Tradico 294
iseli & Co	TH To-e Benefits 722 -12	Specimen Upit 18 613 +1. Specimen Upit 18 950 +5	Fosters Brewing 1.52 +0.01 Gen Prop Tst 2.47 Goodwan Fleider 1.72 Namila 61	7in Lee Bank 3.38 -0.02 1008 6.80 +0.05
troman & Co 515	lachi Felticochi 784 -15 lagasiskim 2.270 470	Sumitomo Realty 1,080 -20 Sumitomo Tra.Bk . 1,670 +20 Supitomo Wardens 841 -4	Highlands Gold 1.12 -0.01 1Cl Azzt	Price date supplied by Telebure. HOTES — Prices on this page are at
JOS Corp 2,440 +75 Joseph Steam Steam Steam 1,130 - 29 1,130 - 29	Echil	385061 MOTOL 660 -711	Lend Leave	Hittes — Prices on this page are at) proted on the individual exchanges and are last traded prices. (a) unavail- able, at Dealings suspended, and Ex dividend, as Ex sorip issue, ar Ex

JOTTER

RD

		CAN	IADA			-	
i	Sales Stock High Low Close Charg Sales Stock	High Low Clope Chag	Seles Stock High Lor	Close Chap	Sales Sico	à High I	Low Close C
	11 100 THE COLT 12 12 12 12 12 12 12 12 12 12 12 12 12	215 4250 200 -10 101 87 10 50 9 87 340 325 335	400 Lesson kar \$87 67 6533 Lobiaw x \$205 205 205 205 205 205 205 205 205 205	7 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 -	53700 8ea 10700 Shel 4700 Shel 4700 Shel 600 ShC 7500 Shel 2800 Shel 2800 Shel 28300 Shel 6000 Shel 170400 Thou 101600 Tor	a Heir 2 5177 j. 11 prem Co 51201 j. 12 prem C	134 134 147 147 147 147 147 147 147 147 147 14
	## 15500 Sk More** \$84. 36. 36. 36. 36. 36. 36. 36. 36. 36. 36	574, 74, 74, -4, 555, 04, 64, -4, 145, 145, 145, 145, 145, 145, 145, 14	\$5000 Net Bit Can \$11\frac{1}{4}\$ 11\frac{1}{4}\$ 2000 Neme ind A \$7\frac{1}{6}\$ 78 11400 Normande \$18\frac{1}{6}\$ 180 9\frac{1}{6}\$ 1000 Normalit \$22\frac{1}{6}\$ 2004 (22\frac{1}{6}\$ 20\frac{1}{6}\$ 20\	7 ¹ 2 10 ¹ 2	20000 Tries 93000 Tries 93000 Tries 93000 Unite 36000 Unite 10000 Unite 125000 Unite 4652000 Unite 465200 Unite 118700 Wess 93000 Wess 12500 Wess 12500 Wess	makim \$12% 1 m A z \$12% 1 m A z \$12½ 1 m A z \$12½ 1 m A z \$12½ 1 m A z \$12½ 1 m A z \$18¼ 1 m A z \$12½ 1 m A z	dis 18 17-5, 17-5, 12-
	12900 CAÉ ind x	1112 8114 8134 1553 1553 1553 1553 1553 1553 1553 1	25500 Pagetin A 564 64 1500 Pennour Inc 50 41 1500 Pennour Inc 50 41 17700 Pennour Inc 61 41 17700 Pennour Inc 62 42 17700 Pennour Inc 63 17700 Pennour Inc 63 17700 Pennour Inc 63 174 17400 Penno Pen 63 174 17400 Pennour Inc 63 174 17400 Pennour Inc 63 174 17400 Pennour Inc 64	2014 11 12 12 12 12 12 12 12 12 12 12 12 12	3:000 21100 Born 29400 Carlo 57300 Carlo 13600 Carlo 15600 Mack 11700 Mem 37500 Mack 6600 Prov 3400 Carlo 25600 Vide	MONTRE/ pm prices of price	AL June 12 114 214 115 115 115 115 115 115 115 115 115 11
ŀ			ICES				
	NEW YORK		June	June	lune June j	11	991
1	DOW JONES June June June 1991 11 10 7 8 H394 LOW	Bince complication	AUSTRALIA 12	11	10 7	HIGH	LOW
13	Hadastriais 2905.91. 2975.40 2976.74 2994.86 3035.33 2670.30 (Q/b) (9/1)	3035.33 41.22 0/6/91) 0/7/32	All Britaines (1/1/80) 1580. All Brieg (1/1/80) 650.		to 1478.0 1d 629.4	680 T (5448 1208 3 (5848)	1204.5 CM/ 561.6 CM/1
[;	Home Bonds 94.25 94.34 94.65 95.09 91.30 GH/S) CLA/1) Transport 1227.41 1223.91 1227.43 1238.01 1240.89 994.30	95.51 54.99 1532.01 12.32	Coult Alties (10/12/00 514.6 BELGAUM		519.35 522.15	534.81 (16)40	390.84 (05/
1	Dullitus 209.32 208.75 209.26 210.39 205.99 197.64 016/10 016/10	5(9)899 827(329 236.23 10.50 2(1)900 82(4)32)	BE129 (1/1/51) 1181.1 DENMARK		178.83 118A.31	1212.15 (17/4)	917.59 07/
1	40.0° Rip 3012.08 (2992.8		Ospeshagen SE (3/1/83) 363.4 Front_Aset: HEX Geograf (28/12/90) 1034.		1066.4 1070.6	363.43 (12/6) 1186.9 (8/4)	302.26 00/1 899.5 (23/1
	STANDARD AND POOR'S Despuite 1 301.05 378.57 379.44 383.63 390.45 301.49	390.45 4.40	CAC Central GSI/12/629 494.9	10.00	699.92 493.1A	2400.7 M/W	WH
	Industrials 453.91 450.69 451.79 458.95 03/60 19/10 19	63.23 3.62	CAC 40 (31/12/E/I) 1849.1		107.71 773.10	494.95 02/63	394.88 GS
ш		(LB/4/71) (21/6/32)	GERBLAKY	1 1574.61 1	M6.25 1052.51	. 1874.81 (11/6)	1425.26.05
ľ	Financial 30.73 30.64 30.84 31.25 31.58 21.96 0.849 19/33	35.24 8.64 ·		1 1574.61 1 716.55 1 2551.9	711.26 714.85 2014.0 2025.8 704.92 1709.64	494.95 02/64 . 1874.81 02/63 716.55 02/63 2835.2 03/59 1715.80 02/63	
	Financial 30.73 30.64 30.84 31.25 31.56 21.96 (1.96 Pp.11) KYSE Compacine 200.03 207.74 200.19 210.24 213.21 170.97 (1.74)	35.24 8.64 19[10]590 0.[10]740 213.21 4.46	GERBIANTY FAZ Astles (31/12/59) 708.2 Compertant (1/12/53) 2016. DAX (39/12/57) 1700.8 HONGS ECONGS Resp Song Bank (31/7/64) 3627.9	716.25 2891.9 1 1715.80 1	711.26 714.65 2014.0 2025.8	716.55 (12/6) 2035.2 (31/5)	570.48 0.5 1612.5 0.5
	Financial 30.73 30.64 30.84 31.25 31.56 21.96 (1.64 971) KYSE Companies 200.03 207.74 200.19 710.24 213.21 170.97 (971) Ameri Mits, Value 349.80 349.77 349.98 371.43 373.40 296.72 (1.47) MASSIAG Companies 496.62 495.85 498.54 502.94 511.31 365.75	35.24 8.64 8.64 8.710(74) 213.21 4.46 01/4/10 25/4/42 397.03 29.31 00/10/89 89.2272 511.31 54.87	GEFERANCY FRZ. Richer (31/22/50 708.2 FRZ. Richer (31/22/50 708.2 FRZ. Richer (31/25/50 2016. DAX (94/12/87) 1700.0 HOWER RICHER	1 1874.81 1 7 716.35 1 2891.9 4 1715.80 1 9 3631.48 3	946.25 1852.51 731.26 714.65 2014.8 2025.8 704.92 1709.64	716.55 (11/6) 716.55 (11/6) 2035.2 (31/5) 1715.80 (11/6)	570.40 (15) 1612.5 (15) 1612.5 (15) 1311.82 (16)
	Financial 30.73 30.64 30.84 31.25 31.56 21.96 (0.8/19 19/13) (35.24 8.64 1910090 0.10174 23.321 4.46 1074401 255442 377.03 2-31 10110899 1912175 511.31 54.07 1074(91) 0.1/10(72)	GERBRANCY FRZ Abdret CS1/12/580 FRZ Abdret CS1/12/580 DAX CSI/12/587 DAX CSI/12/587 DAX CSI/12/587 DAX CSI/12/587 DAX CSI/12/587 DAX CSI/12/580 DAX CSI/12/5	1 1874.81 1 7 716.95 1 2891.9 4 1715.80 1 9 3631.46 3 9 1415.92 2	846.25 1852.51 711.26 714.85 2014.0 2825.8 704.92 1709.64 621.19 3637.77 621.13 1420.41	. 1874.01 (12/6) 716.25 (12/6) 716.25 (12/6) 2025.2 (21/5) 1715.00 (12/6) 393.7.09 (20/5) 1520.65 (15/5) 619.38 (2/6)	570.40 (15) 1612.5 (15) 1612.5 (15) 1371.82 (16) 2984.01 (16) 1114.86 (25) 486.26 (25)
1	Financial 30.73 30.64 30.84 31.25 31.56 21.96 (1.975) (1.9	15.24 8.44 0.10.0740 0.10.0740 0.10.0740 0.10.0740 0.10.0740 0.10.0740 0.10.0740 0.10.0720 0.10.	GETERANY FRZ. Rates USI/12/590 708.2 FRZ. Rates USI/12/590 2016. DAX UNI/12/577 2016. DAX UNI/12/577 1700.0 HONNER INCRIGA RANG Stein Blank USI/15/60 3622.9 REVEZ. AND 1878 104720 608.8 BERG Com, Rat, UNI/20 608.8 BERG COM, RA	7 716.95 1 2891.9 4 1715.80 1 3 3631.44 3 9 1415.92 2 3 665.08	711.26 714.85 2014.0 2025.8 704.92 1709.64 521.19 3637.77 122.13 1420.41 6d 607.14 1998.38 25095.11 1996.21 1992.49	716.95 (12/6) 716.95 (12/6) 2005.2 (31/9) 1715.00 (12/6) 3917.09 (20/5) 1520.65 (15/3) 619.36 (3/6) 27146.91 (18/3) 2028.85 (38/3)	1425.26 (25 570.46 (25) 1612.3 (25) 1331.32 (26) 2984.01 (26) 1114.96 (25) 486.26 (29) 22442.18 (21) 1825.00 (17)
1	Summercial 30.73 30.64 30.84 31.25 31.56 21.96	15.24 8.44 (0),10,174 (1),10,175	GERBRANY FAZ ARION GS1/2/590 FAZ ARION GS1/2/590 DAX GW/2/597) FROM RCHING HONER RCHING HONER RCHING HONER RCHING HONER RCHING REELAND	7 716.95 1 2891.9 4 1715.80 1 3 3631.48 3 9 1415.92 2 3 605.08 9 24662.59 2 9 1899.71 1 1 3273.63 3	946.25 1852.51 711.26 714.85 2014.0 2825.8 1704.92 1709.84 1821.19 3637.77 1821.13 1420.41 6ul 607.14 1898.38 25095.11	. 1874.01 (12/6) 716.95 (12/6) 2035.2 (31/5) 1715.00 (12/6) 3917.99 (20/5) 1520.66 (15/9) 619.30 (3/6) 27146.91 (38/3)	1423.26 (15 570.46 (15) 1812.5 (15) 1391.82 (16) 2984.01 (16) 1114.86 (25) 486.26 (25) 22442.16 (16)
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	30.73 30.64 30.84 31.25 31.56 21.96 21.95 Compacitie 208.03 207.74 208.19 210.24 21.95 Compacitie 208.03 207.74 208.19 210.24 21.95 Compacitie 208.03 207.74 208.19 210.24 21.95 Compacitie 208.03 207.74 208.19 208.23 21.95 Compacitie 208.03 207.74 208.19 208.03 21.95 208.03 207.74 208.19 208.03 21.95 208.03 207.44 208.03 21.95 208.03 208.03 208.03 21.95 208.03 208.03 21.95 208.03 208.03 21.95 208.03 208.03 21.95 208.03 208.03 21.95 208.03 208.03 21.95 208.03 208.03 21.95 208.03 21.95 213.21 208.03 21.95 208.03 21.95 213.21 21.95 208.03 21.95 213.21 21.95 208.03 21.95 213.21	15.24 8.44 (17.47) (17.47) (17.47) (25.44) (25	GETERANY FRZ ARICH C31/22/50 FRZ ARICH C31/22/50 OMMERSHAN C91/2/57 DAX C91/2/57 DA	7 716.35 1 2871.9 1 275.00 1 3631.44 3 3631.44 3 1415.92 3 465.08 2 2864.2.59 2 3879.71 3 273.63 3 283.0	96.25 1852.51 711.24 71.4.5 202.62 202.62 704.92 1709.64 704.92 1709.64 704.93 1837.77 102.13 1438.43 64 607.14 1998.32 2505.11 1998.32 2505.11 1998.32 2505.11 1998.32 2505.11 1998.32 2505.11 1998.32 2505.11 1998.32 2505.11 1998.32 2505.11	716.55 12.60 716.55 12.60 2035.2 131.20 1775.00 12.60 3937.59 20.53 1520.65 (15.73 619.30 (16.6) 27746.91 (19.73 2020.65 (19.75 3027.65 (19.75 3027.65 (19.75 3027.65 (19.75 2848 (56.6)	1425.26 (25) 570.46 (25) 1570.46 (25) 1571.72 (26) 2584.70 (26) 2584.70 (26) 2584.70 (26) 2584.70 (26) 2584.70 (26) 2584.70 (26) 2584.70 (26) 2675.70 (27) 2675.70 (26) 221.4 (14)
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	10.00 10.0	15.24	GERBRANY FAZ ANDRO IST/12/590 ORMORPHON CORESTS DAK CHI/LEST) PROMED RECIRCO HOUSE REC	7 716.35 7 716.35 1 201.5 1 1715.80 1 1715.80 1 1415.92 2 1415.92 2 1415.92 1 1899.71 1 3273.63 3 621.71	96.25 1852.51 711.26 714.65 202.58 202.58 202.58 202.58 7109.64 1709.64 1821.19 3637.77 1821.13 1428.41 6d 607.14 1998.28 25025.11 1998.21 1992.29 253.34 2867.01 1885.4 620.40	1874.81 (12/4) 716.25 (12/4) 2875.2 (31/2) 1775.80 (12/4) 3912.99 (20/5) 1550.65 (15/3) 619.36 (13/4) 27744.91 (18/3) 2728.85 (18/2) 455.62 (29/5)	1425.26 (25) 570.40 (25) 1612.5 (25) 1612.5 (25) 1811.82 (26) 2984.01 (26) 1114.86 (25) 486.26 (25) 29442.18 (26) 1825.00 (27) 2875.52 (24)
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	30.73 30.64 30.84 31.25 31.56 21.56 (1.64 6.75 6.84 6.84 6.87 6.84 6.87 6.84 6.87 6.84 6.87 6.84 6.87	35.24	GETERANY FRZ ARIEN CS1/22/50 FRZ ARIEN CS1/22/50 DAX CS1/25/57 DAX CS1/2	7 716.35 7 716.35 1 275.80 1 175.80 1 175.80 1 175.80 1 1415.92 1	96.25 1852.51 714.85 202.62 725.82 704.92 7199.82 7199.83 725.13 64 647.14 699.83 2509.51 1992.29 251.34 261.53 261.7 200.5 261.7 200.5	1874.81 (12/6) 716.55 (12/6) 2875.25 (13/6) 2875.26 (12/6) 2975.90 (12/6) 1520.65 (15/3) 619.05 (16/6) 27746.97 (10/3) 2828.85 (18/9) 2427.95 (10/5) 284.85 (18/9) 284.85 (18/9) 284.85 (18/9) 284.85 (18/9) 284.85 (18/9)	142.26 GS 570.40 GS 1612.2 GS
1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	10 10 10 10 10 10 10 10	35.24	GETRIANY FRZ. Nation (31/22/50) FRZ. LAND	7 756.35 7 756.35 1 293.9 1 275.80 3 3631.46 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	96.25 1852.51 711.26 714.65 205.68 20	1874.01 (12/4) 716.25 (12/4) 2875.2 (31/2) 2875.2 (31/2) 3917.99 (20/5) 1520.65 (35/3) 619.36 (2)/6) 27146.91 (39/3) 2728.55 (39/3) 2728.5 (29/5) 288.8 (5/6) 2735.1 (4/6) 792.13 (4/6)	142-24 (15) 570-40 (15) 1512-25 (15) 1512-25 (15) 1512-25 (16) 2594-11 (16) 2594-11 (16) 2594-11 (16) 2594-11 (16) 2594-11 (16) 271-25 (16
TO SEE THE PROPERTY OF	10 10 10 10 10 10 10 10	15.24	GEFREARY FRZ, Maries USI/12/590 FRZ, Maries USI/12/590 DAX USI/12/597 DAX USI/12/	7 716.35 7 716.35 1 293.9 1 1715.80 1 1715.80 1 3631.48 3 3631.48 3 1415.92 1 1415.92 1 1415.92 1 1415.92 1 1415.93 1 1415.93	96.25 1852.51 711.26 714.85 202.58 202.58 202.58 202.58 202.58 202.58 202.58 202.58 202.51 1428.42 203.60 207.14 2	1874.81 (11/4) 716.55 (11/4) 2875.2 (11/2) 2875.2 (11/2) 3917.99 (20/5) 1520.65 (15/3) 619.36 (16/4) 27146.91 (10/3) 2828.85 (13/3) 4536.0 (27/5) 280.8 (5/4) 281.1 (5/6) 792.15 (4/4)	142-24 (15) 570-49 (15) 1512-2 (10) 1512-2 (10) 1512-2 (10) 2594-01 (10) 2594-01 (10) 1114-06 (25) 486-26 (29) 2594-2 (10) 152-30 (17) 152
TO SEE TO PRINCIPLE OF THE PRINCIPLE OF	10 10 10 10 10 10 10 10	35.24	GETRIANY FRZ ARTHER CS1/12/590 FRZ FRZ FRZ ARTHER CS1/12/590 FRZ FRZ FRZ FRZ ARTHER CS1/12/590 FRZ FRZ FRZ FRZ ARTHER CS1/12/590 FRZ FRZ FRZ FRZ FRZ ARTHER CS1/12/590 FRZ	7 756.35 7 756.35 1 2931.9 1 275.80 1 175.80 3 3631.46 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	96.25 1952.51 711.26 714.65 205.48 725.58 721.24 7199.44 521.19 3637.77 622.13 1428.41 640 607.14 1998.28 25025.11 1962.21 3972.99 25.134 265.01 146.54 1257.52 145.54 1157.52 145.54 1157.52	. 1874.01 (12/6) 716.25 (12/6) 2875.2 (31/2) 2875.2 (31/2) 3917.99 (20/5) 1520.65 (35/3) 619.36 (2)/6 27146.91 (18/3) 2828.85 (38/2)	142-24 (15) 570-49 (15) 1512-25 (15) 1512-25 (16) 1512-25
THE REST OF THE RE	10.00 10.0	35.24	GETERANY FRZ ARDEN CS1/22590 FRZ ARDEN CS1/22590 DAX CS4/22877 DAX CS4/2287 D	1 1874.81 1 7 716.35 7 716.35 1 2931.9 1 1715.80 1 3631.48 3 1 1415.92 1 3 405.08 2 8442.59 2 1 1879.71 1 3 273.63 3 4 621.71 3 283.0 2 1150.68 1 434.85 1 1416.0 3 662.8	96.25 1852.51 711.26 714.85 202.58 20	1874.81 (11/6) 716.25 (11/6) 2875.2 (11/6) 2875.2 (11/6) 2971.99 (20(5) 1520.6 (15/3) 619.36 (16/6) 227146.91 (10/6) 227146.9	142-24 (15) 570-49 (15) 1512-25 (15) 1512-25 (15) 1512-25 (15) 2594-01 (16) 2594-01 (16) 1114-06 (25) 2594-01 (16) 16-25
TO PRESENT OF THE PROPERTY CHICK	Same	35.24	GETRÄANY FRZ, Nation (31/2/59) FRZ, LONG FRZ,	7 764.95 7 716.95 1 795.90 1 795.90 1 795.90 1 1795.90 1 1795.90 1 1895.71 1 189	96.25 1952.51 711.26 714.65 205.63 719.87 710.92 1709.84 1221.3 1428.41 6d 607.14 1992.28 25055.11 1962.21 1972.49 251.34 226.70 1281.3 281.77 145.54 120.90 1753.6 783.07 145.54 1157.52	1874.81 (12/6) 716.55 (12/6) 2875.2 (31/2) 2875.2 (31/2) 3917.99 (20/5) 1550.65 (15/3) 619.36 (2)/6) 27146.91 (18/3) 2728.55 (142-24 (15) 570-49 (15) 1512-25 (15) 1512-25 (15) 1512-25 (16) 1512-25
TO SEE TO PRESENT OF VOUCE OF THE	Second S	35.24	GERRANY FRZ ARISE (13/12/59) FRZ ARISE (13/12/59) FRZ ARISE (13/12/59) FRZ ARISE (13/12/59) FRZ ARISE (13/13/59) FRZ ARISE (13/13/60) F	1 1874.81 1 7 716.35 7 716.35 1 2931.9 1 1715.80 1 1715.80 1 3631.46 3 3 3631.46 3 3 1415.92 1 3 465.08 2 264.2.99 2 3 1892.71 1 3 223.6 3 223.6 3 243.8 4 243.8 5 764.90 1 1150.60 1 4 243.8 5 1416.0 5 3662.8 6 1416.0 5 266.63	96.25 1852.51 711.26 714.65 205.68 7109.67 710.72 1709.67 710.72 1709.67 710.72 1709.67 710.72 1709.67 710.72 1709.72 710.72 1709.72 710.72 1709.72 710.72 1709.72 710.72 1709.72 710.72 1709.72 710.7	1874.81 (12/6) 716.55 (12/6) 2875.2 (31/9) 2875.2 (31/9) 1775.80 (12/6) 2975.90 (20/6) 1530.65 (15/3) 619.30 (3/6) 27146.91 (09/3) 2828.65 (09/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.6 (26/3) 283.7 (26/3) 283.7 (26/3) 289.7 (26/3)	142.24 (15) 570.40 (15) 161.23 (13) 171.182 (16) 171.182 (16) 171.182 (16) 171.183
THE STATE OF VOICE AND THE STATE OF THE STAT	Same	35.24	GERRANY FRZ ARICH (31/22/90) FRZ ARICH (31/22/90) DAX (94/28/97) D	1 1874.81 1 7 716.35 1 2891.9 1 1715.80 1 3631.48 3 3631.48 3 1415.92 1 1892.71 1 3273.63 3 621.71 2 283.6 2 281.8 3 1415.6 3 141	96.25 1952.51 711.26 714.85 202.58 202.58 202.58 202.58 202.58 202.58 202.58 202.58 202.58 202.58 202.51 1952.59 202.51 1952.59 202.51 1952.59 202.51 1952.59 202.51 1952.59 203.51 202.59 203.51 203.57 203.51 1157.52	. 1874.81 (11/6) 716.25 (11/6) 2875.2 (11/6) 2875.2 (11/6) 2875.2 (11/6) 2870.2 (11/6)	142-24 US 570-49 US/162-2 US/1
THE REST OF THE PRINCIPLE OF THE PRINCIP	Same	35.24	GETERANY FRZ ARCHE (13/12/19/8) 708.2 GETERANY FRZ ARCHE (13/12/19/8) 708.2 GETERANY GETERAN G	7 76-35 7 716-35 1 725-30 1 725-30 1 725-30 1 725-30 1 725-30 1 725-30 1 725-30 1 7273-63 1 7273-63	96.25 1852.51 711.26 714.65 285.86 285.87 712.21 7195.87 712.21 3637.77 722.13 1428.41 66 667.14 7598.28 25055.11 764.21 1962.21 1962.21 753.67 783.6	1874.81 (12/8) 716.55 (12/8) 2875.2 (31/9) 2875.2 (31/9) 1975.80 (12/8) 1975.90 (20/8) 1976.95 (20/8) 27746.91 (20/8)	142-26 (15) 570.40 (15) 570.40 (15) 181.25 (15) 181.25 (15) 181.25 (15) 2884.01 (16) 1814.86 (25) 486.26 (29) 28442.86 (16) 1825.00 (17) 2873.52 (24) 476.40 (16) 1823 (16) 582.64 (16) 2823 (16) 582.64 (16) 2823 (16) 582.64 (16) 2823 (16) 582.64 (16) 2823 (16) 582.64 (16) 2823 (16) 582.64 (16) 2823 (16) 582.64 (16) 2834 (16) 2834 (16)
TO SEE TO PRESCUE OF THE PRESCUE OF	Sampache 30.73 30.64 30.84 31.25 31.56 21.56 (1.64 1.67 1.6	35.24	GETRÄANY FRZ, Nichel (13/12/15/8) GETRÄANY FRZ, Nichel (13/12/15/8) DAX (19/12/87) DAX (19/12/87) DAX (19/12/87) DAX (19/12/87) DAX (19/12/87) DAX (19/12/87) RESEZ, DAX (19/12/87) BERGE COR, Est, L19/12/80 BERGE COR, Est, L19/12/80 DAS CORRESS (19/13/88) DAS SECTION (13/18/88) DAX	1 1874.81 1 7 716.35 7 716.35 1 2931.9 1 1715.80 1 1715.80 1 1813.44 3 1415.92 1 1894.90 2 1842.99 2 1892.13 3 272.53 3 272.53 3 283.0 1 1150.68 1 144.85 1 146.0 1 14	96.25 1952.51 711.26 714.65 202.58 20	. 1874.81 (12/6) 716.25 (12/6) 2875.2 (13/2) 2775.90 (12/6) 37817.97 (20/5) 1520.65 (15/2) 619.36 (15/2) 619.36 (15/2) 619.36 (15/2) 627.64,91 (19/2) 289.8 (5/6) 2716.97 (19/2) 628.6 (29/2) 289.8 (5/6) 2716.97 (19/2) 628.6 (29/2) 289.8 (5/6) 2716.97 (19/2) 628.6 (29/2) 289.8 (5/6) 2716.97 (19/2) 627.6 (19/2)	142-24-05 570-49-05-1 1512-2-0





See the world in a new light.

For an illuminating view of what's going on—and why—in international business, finance and politics, you've come to the right place. The Financial Times. The FT provides eye-opening coverage of events that often escape the notice of other, less turned-on papers. That's to be expected; since 1888 the FT has been lighting the way for people who know that knowledge is power. If you're an occasional reader, make the switch—order your personal subscription today.

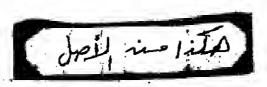
FINANCIAL TIMES

14 East 60th Street, New York, NY 10022 1-800-344-1144

578. Y16. E 1900 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

- O

AN



NYSE COMPOSITE PRICES	NASDAQ NATIONAL MARKET 3:15 pm prices June 12
AMEX COMPOSITE PRICES	
## 123 Carlo (1982) 15 (19	Description Color Color

AMERICA

Dow resumes downward course as bonds weaken

Wall Street

THE STOCK market resumed its downward course yesterday morning after Tuesday's inter-ruption, with shares falling sharply in the wake of lower bond prices, writes Patrick

Harverson in New York.
At 1.30 pm the Dow Jones
Industrial Average was down
49.42 or 1.7 per cent at 2,936.49. The more broadly based Standard & Poor's 500 was 4.85 lower at 376.20 by 1 pm, while the Nasdaq composite of over-the-counter stocks fell 5.30 to

Turnover on the New York SE was 98m shares by 1 pm, and declines outpaced rises by a ratio of almost three to one. As in recent weeks, declines in the bond market fed through quickly into equities. Worries about inflation – producer and consumer prices data are due out today and tomorrow - upset Treasnry prices, and pushed the yield on the benchmark 30-year bond above 8.5 per ceot. The stock market is worried that rising yields on long-dated boods will lure casb out of equities and

The technology sector was unsettled by reports of disap-pointing semiconductor sales. Motorola fell \$1% to \$63%. Texas Instruments slipped \$1 to \$34%, Digital Equipment gave up \$% to \$66 and Compaq

TWO NEW trading sessions on the New York Stock TWO NEW trading sessions on the New York Stock Exchange begin today after the normal closing time of 4 pm.

The first is from 4 pm to 5 pm and will allow investors to place buy and sell orders for individual stocks, but only at the 4 pm closing prices. The second session runs from 4.15 pm to 5 pm and will allow institutional investors to trade large blocks of shares. The prices and the identities of the stocks traded in the second session will not be reported until three days later, but the total volume of each block will be reported immediately.

The two new sessions will not affect the closing prices of

The two new sessions will not affect the closing prices of individual stocks or market indices, such as the Dow, quoted each day by the NYSE. The prices published in the Financial Times are the official New York closing prices.

dropped \$% to \$35%. Shawmut National, the New England banking group, fell \$% to \$5% in heavy trading on reports that mounting losses could force it to sell equity or merge with another bank.

TCBY Enterprises, which operates frozen yoghurt franchises nationwide, plummeted \$1% to \$7% after one of its largest franchise operations, which ran 28 stores in the Midwest region, filed for Chapter 11 bankruptcy protection.

Financial troubles sent Tuc-son Electric Power down \$1% to \$5% after the company said an anticipated increase in power rates would not be sufficient to satisfy the demands of its creditors.

On the over-the-counter market Intel shed \$2% to \$48% on 2.8m sbares in the wake of reports that the company's contract to supply advanced chips for future cars to Ford would be handed over to Moto-rola. Intel was also burt by weak semiconductor sales. In the biotechnology sector Immune Response moved against the trend, putting on \$1% to \$11% on almost %m shares after an analyst at Smith Barney repeated his buy recommendation.

TORONTO stocks slid to session lows in light activity at midday. The composite index lost 9.4 to 3,562.9. Declines led advances by 224 to 182 on vol-

ume of 11m shares.
Among active shares, Sears Canada rose C\$1/4 to C\$13%. Lac Minerals was flat at C\$8%, Echo Bay Mines fell C\$% to C\$10% and Moore Corp fell C\$1/4 to C\$31%.

Loewen Group, which split its chares, fell C\$13% to

Nikkei ends at day's low on discouraging rumours

Tokyo

SHARE PRICES lost their morning gains and ended lower yesterday on rumours that a speculator had gone bankrupt, and that the Finance Ministry had raided a leading Japanese broker, writes Emiko Teruzono in Tokyo.

The Nikkel average closed down 179,90 at the day's low of 24,482,69. The index attained a high of 24,876.32 in the morning, supported by the over-night rise on Wall Street and the firmer yen.

Volume rose to 260m shares from 220m, but investors remained inactive. Declines led advances by 492 to 419 with 204 issues unchanged. The Topix index of all first-section stocks fell 2.31 to 1,897.40 and in Lonthe ISE/Nikkei 50 index

rose 0.60 to close at 1412.88.

Mr Peter Johnson at Baring
Securities said that the equity and bond markets were weak as bopes of an imminent discount rate cut faded after the central bank's quarterly business survey, announced on

Tuesday, portrayed a reasonably robust economy.

Arbitrage-related selling depressed the stock market. Traders said that the expected cash selling when June futures contracts expire on Friday could be neutralised, as inves-tors and dealers who had taken arbitrage positions between September and June futures contracts buy cash stocks.

Speculative issues plum-meted on rumours that a large speculator would go bankrupt entailing one of the largest liabilities in Japanese corporate history. Honshu Paper, the most active issue of the day, fell Y85 to Y995 and Kurabo Industries, the textiles com-pany, lost Y77 to Y893.

lo Computer rose Y40 to Y1,430 on buying by individuals. Hopes of strong sales of its

NATIONAL AND

rise in pre-tax profits to Y3bn. Mitsubishi Gas Chemical added Y9 to Y658 in response to the company'e plans to double pro-duction capacity for its metha-nol joint venture with the

Saudi Arabian government.

High-technology stocks were higher on prospects of a recovery in the US economy. Sony rose Y100 to Y6,150 and TDK climbed Y170 to Y5,320.

The emaller markets were active, with the second-section index rising 11.72 to 1,647.97 and the over-the-counter index

gaining 28.13 to 3.289.80. In Osaka, the OSE average rose 49.36 to 27,488.42 on volume of 27.5m shares, up from 18.8m. Late buying by invest-ment trusts gave the index its

first rise in seven days.

Dai-Dan, the engineering company, rose Y70 to Y4,880 on forecasts of record pre-tax profits as a result of an increase in orders for air-conditioning and electrical projects.

Roundup

THERE WAS some optimism in Australia and South Korea m Australia and South Morea yesterday, but most Pacific Rim markets were little changed in thin trading. Manila was shut for a holiday. AUSTRAILA rose on domestic buying. The All Ordinaries index added 14.0 to 1,500.0 in

turnover of A\$212m, up from A\$187m. Indications from the new treasurer, Mr John Kerin, in an interview that there would be no departure from past policies helped to settle the market.

the market.

Bundaberg Sugar fell 10

cents to A\$3.90. Tate and Lyle

of the UK said that acceptances so far totalled only 3.5 per cent and it was likely to extend the offer beyond June

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Limited. 1887 Latest prices were unavailable for this edition

iquid crystal displays encouraged investors.

Akai Electric gained Y40 to Y1,190 on reports of an expected 85 per cent year-on-year would be opened to foreigners

earlier than intended. The mar-ket was also boosted by news of a bonus issue from a leading short-term financing house. The composite index gained 3.11 to 610.96, in volume of Won70.7bn.

Newspapers speculated that the date for opening the mar-ket to foreign investors would be brought forward to the beginning of next year. The government is expected to give a timetable tomorrow.

TAIWAN lost L7 per cent, as the weighted index dropped

97.18 to 5,753.98 in thin turnover of T\$34.5bn, down from T\$36.4bn. There was a wave of selling in the last half hour, as interest rates ros tomorrow's offer of T\$25bn of

Evergreen shed T\$2.50 to T\$52.50. The company's EVA Airways unit, due to start fly-ing on July 1, has not received

final approval to operate.

NEW ZEALAND fell in thin trading, as investors digested the details of the flotation plans for Telecom Corp. The Barclays index lost 21.81 to 1,414.99 on turnover of NZ\$8.1m. Carter Holt Harvey,

which plans a big rights issue, lost 7 cents to NZ\$1.47. HONG KONG fell back after Monday's gain, as investors wound down ahead of the long weekend. The market is closed on Monday and Tuesday. The Hang Seng index dropped 3.58 to 3,627.90 and turnover slid to

a low HK\$694m from HK\$880m. BOMBAY saw widespread speculative buying on reports of a low turnout in the second round of voting in the Indian general election, which should lessen the risk of a hung particles. liament. The Bombay Stock Exchange index rallied 26.61, or 2.1 per cent to 1,288.25.

Canada may see some overdue excitement

Some brokers believe that falling inflation could lift Toronto, writes Bernard Simon

PINIONS VARY on the strong Canadian dollar, thus prospects for the giving a fillip to mining. Toronto equity market.
If strategists at Deacon Barrestrategists at Deacon Bar-clays de Zoete Wedd, the Toronto securities house, are right, Canada could soon see some excitement, which the market has sadly lacked dur-ing the past 18 months. Other exterts are not so sure

experts are not so sure.
The DBZW team predicts that the Toronto stock exchange composite index, now slightly short of 3,600, will climb to 3,900 by the end of the year, and to 4,400 by the third quarter of 1992, giving a total rise of 22 per cent in little more

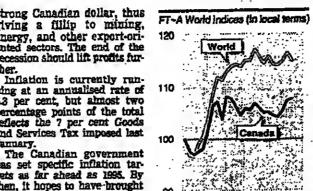
than a year.
It argues that the Bank of Canada's single-minded (and at times single-handed) effort to bring down inflation is starting to succeed. Lower inflation will bring a further fall in interest which in turn will draw funds to the stock market, par-ticularly at a time when Wall Street offers few bargains. Sliding interest rates should also haul down the stubbornly

energy, and other export-ori-ented sectors. The end of the recession should lift profits fur-Inflation is currently run-

ning at an annualised rate of 5.3 per cent, but almost two percentage points of the total reflects the 7 per cent Goods and Services Tax imposed last

has set specific inflation tar-gets as far ahead as 1995. By then, it hopes to have brought the rise in the consumer price index (excloding food and mergy) down to a rate of only 2 per cent a year.
Meanwhile, the recession is squeezing a lot of price pressure out of the economy. Few

economists would disagree with Deacon's senior portfolio strategist, Mr James Donegan, that "the inflation anviron-ment is improving a lot more quickly than most people were



ing many companies to minimise costs, improve productivity and reduce debt. Mr Scott Penman, who manages a Canadian equities fund for Investors Group of Winni-

1991

Jun

peg, the country's biggest mutual fund operator, says
we have been left with some
well-capitalised, strongly managed companies. He cites the

share price has shot from C\$27.50 in January to C\$41. Western Canadian energy producers are siso in vogue, thanks partly to an expected surge in demand for natural gas during the next decade. Mr Penman's favourites include such mid-sized companies as Canadian Natural Resources

Canadian Natural Resources and Morrison Petroleums.

The big banks are still favoured by some analysts, in spite of a 30 per cent rise on average in their share prices since lest October. Canadian banks are less troubled by real estate and buy-out loans than some of their US counterparts, and are benefiting handsomely from the slide in interest rates. from the slide in interest rates. Not everyone is quite so enthusiastic about the Canadian market. Mr Charles Moreau of Levesque Beaubien Geoffrion in Montreal estimates that the TSE is 5 to 6 per cent overvalued and that

returns from equities will not be much higher than bonds

during the next 12 months.

Shares now make up only 40

per cent of Mr Moreau's medel portfolio, compared with 80 per cent for bonds. One risk is that the bulk of

the drop in interest rates may already be over. Benks' prime lending rate have tumbled from a peak of 14.75 per cent last summer to 9.75 per cent.

qually important, the spread between US and Canadian rates is now approaching levels to which investors were accustomed before the Bank of Canada started its anti-inflation war in started its emi-imistion war in the late 1980s. The gap on short-term Treasury bills is now less than three percentage points, down from almost six points about a year ago. Even Deacon BZW is five-casting only a modest further drop in interest rates with

casting only a modest further drop in interest rates, with long-term bond yields falling during the next 18 months from 8.5 per cent to 8.5 per cent. However, it expects the Canadian dollar, now above 87 US cents, to be down to 80 cents by the end of 1982.

as banks, which had risen ent-lier in the week, succumbed to profit-taking. The all-share index was down 2.05 at 511.29 in turnover of NK7225m. Den Norske Bank fell NKr4.5 to

AMSTERDAM closed at the

day's lows after taking a late knock from a weak start on Well Street. The CBS Tendency index ended 0.3 lower at 95.2.

Aegon, the insurer, rose 30 cents to F1 121.30. Late on Tousday it said that it expected to have its stock listed on the

New York Stock Exchange by

eptember. In the transport sector Ned-

floyd rose 20 cents to F151.90 while KLM eased 20 cents to F128.80. After the close, KLM

Bourse declines accelerate during afternoon

THE UPS and downs of Wall Street were reflected in Europe yesterday, where a deterioration in share prices accelerated in the afternoon, writes Our

Markets Stuff.
FRANKFURT continued the consolidation which has kept the DAX index around the 1,700 level since May 31. Yesterday it fell 14.96 to 1,700.84 after a drop of 8.28 to 708.27 in the FAZ at midsession. Volume fell from DM7bn to DM6.5bn.

However, there were varia-tions early, and late in the day. Volkswagen, favoured by a number of antomotive analysts, rose DM3 to DM412 before subsiding to close DM5.50 lower at DM408.50. In London, later, it went as low as DM400 as Wall Street declined - an experience common to the whole market. The German component of the FT-SE Euro-track 100 index was down 20.01,

or 1.7 per cent, at 1,157.58 by the London close. Ms Barbara Altmann of B Metzler in Frankfurt said that interest had moved to secondincress had moved to second-liners in the past two days. PWA rose DM7 to DM293 after Tuesday's forecast of an increase in 1991 profits. In retailing, Asko pot on DM8.50 to DM837.50 for a

two-day gain of DM24 as news emerged of an 11 per cent increase in West German retail

PARIS fell back on profitcent advance. The CAC 40 index lost 25.70 or 1.4 per cent to 1,849.11 in moderate trading after the previous day's heavy FFr3.66bn. A weaker bond mar ket, Wall Street and the prospect of a censure motion against the government also depressed equities. Imétal the diversified indus

trial group, rose another FFr5 to FFr345 after jumping 6.3 per cent on Tuesday. The company said that it expected a small fall in profits this year. STOCKHOLM rebounded

from three consecutive losses, opening weak, but turning higher on renewed demand for Volvo after the presentation of its new car series. The Affars-

SOUTH AFRICA

GOLD SHARES fell further on profit-taking after their recent gains. The JSE all-gold index lost 13 to 1,406, off a day's low of 1,386. But the industrial index climbed to a record high of 3,703, up 21, lifting the all-share index by 16 to 3,277.

DOLLAR PEDEX

1991 Low

Currency Index

	F	T-SE E	rotrac	k 100	- Jun	12	
•	14	H	ourly	change	15		
Open	10 am	11 80	Noon	1 pm	2 pm	3 pm	Close
158.83	1158.21	11 am 1158.24	1155.47	1155.18	1155.58	1152.93	1152.03
	Day	's High 1	159.06	Day's	Low 116	1.26	
Juna	11	June 10	Jun	e 7	June 8	J	une 5
1159.	97	1155.46	115	8.31	1160.15	1	65.54

variden General index rose 3.5 exercised. The Comit index to 1,128.7 in volume of SKr447m, up from SKr331m. Volvo free B shares rose SKr5 to SKr357. Heavy trading continued in the Wallenbergcontrolled investment compa nies, AB Investor and Providentia AB. They each fell SKr3, to SKr105 and SKr147 respec-tively, ahead of the SKr6bn convertible bond offer to help

MILAN finished higher in active, technical trading linked to the expiry of monthly options. Dealers said that many professionals were forced to cover short positions as a large number of options were

finance the proposed buy-out of Saab Scania.

rose 3.72 to 608.80 in volume estimated at L200bn, up from

Tuesday's L148bm, up from
Fist closed L129 or 2.1 per
cent higher at L6.250. Dealers
said that it was being supported by the company's proposed share buy-back programme, and that its fundamentals were still shaky. MADRID eased after the

amouncement of a May infla-tion figure at the high end of expectations. The general index fell 0.29 to 286.07, as turnover rose from Ptal6bn to about Pta21bn - a total swelled by activity in the utility sector and a block trade in Cepsa, the oil group, which

slipped Pta10 to Pta2,305 in vol-

ume of im shares.
Foreign investors, who had been heavily overweight recently in Spanish ntilities, were now reducing their posi-tions, said one analyst. Fecsa dropped Pia6 to Pia777 on a huge volume of 7.02m shares, which was believed to include a large block sale by a foreign

ZURICH declined in sluggish trading, the Crédit Suisse index closing 3.7 lower at 544.9. This reflected firmer interest rates and uncertainty on the

foreign exchange market.
Financials slipped, Union
Bank leading the sector down
with a fall of SF130 to SF13,630. Swissair, however, outper-formed again, rising SFr12 to SF1805. HELSINKI fell for the third

successive day, after Kone, the engineering group, reported worse-than-expected four-month results. The Hex index fell 20.6 or 2 per cent to 1.084.4, as Kone's restricted B shares OSLO dipped in thin trading

said it would my Nedlloyd's 40 per cent stake in Transavia Airlines, a charter carrier. ISTANBUL continued to rise, on growing speculation that Mr Meant Yilmaz, the foreign minister, would be elected head of the ruling political party. The 75-share index added 8860 or 2.4 per cent to

"Yet more destinations. Yet more direct flights." M's non-stop expansion.

KLM now flies to 12 Far East destinations 41 times week from Amsterdam Airport Schiphol. 13 of these flights are already non-stop, including daily non-stop flights to Bangkok.

And from June 15th we will also offer daily non-stop

flights to Singapore, the other major gateway to the Far East.

As well as 7 new European destinations, Bonaire and Baltimore/Washington, our latest addition to the

schedule is Minneapolis/St. Paul. This lands you at the center of Northwest Airlines' network, with fast connections to 41 West Coast and Mid West cities.

It all adds up to more than 140 destinations in 7.7 countries. And a service that continues to meet your expectations in every way. Test us, try us, fly us.

The Reliable Airline **KL**

Fax

489787

TRAVELLING ON BUSINESS TO BELGRADE?

Enjoy reading you complimentary copy of the Financial Times when you stay at the



Tel: (38) (11) 222 1234 Fax: (38) (11) 222 2234

FINANCIAL TIMES

SUBSCRIBE TO THE FT TODAY

Contact your nearest office:

Amsterdam	+31 20	6239430	623559 t
_			
Brussels	+32 2	5132816	5110472
Copenhagen	+45 33	134441	935335
Frankfurt	+49 69	7598101.	722677
Geneva	+41 22	7311604	7319481
Helsinki	+358 0	6940417	6949498-
Lisbon	+35 11	808284	804579
Madrid	+34 1	5770909	5776813
New York	+1 212	7524500	3082397
Paris	+33 1	42970623	42970629
Tokyo	+81 3	32951711	32951712
Stockholm	+46 18	552312	552312
	140		
Vienna	+43 1	5053184	5053176

FINANCIAL TIMES

+48 22

u. 0.44			Middle	E COL	-	-											ı
Australia (70)	135.22	+0.9	120.62	120.61	124.61	119.12	+0.5	5.50	134.01 198.22	118.97	120.20	123.32	118.50	147,30	112.74	137.54 243.98	ı
Austria (20)	197.39	-0.4	176.08	178.06	181.90	182.01	+0.0	1,80 5,04	130.34	175.98 115.71	177,80 118,90	119.94	117.00	151.20	121.73	151.09	r
Belgium (49)	130.59	+0.2	116.50	118.47	120.34	117.23 117.56	-0.1	3.34	141.57	125.69	125.98	130.27	117.64	142.27	128.49	139.55	ŀ
Canada (115)	141.73	+0.1	126.43	126.41	130.60	221.83	+0.1	1.52	239.67	212.77	214.98	220.55	221.58	270.56	217.74	255.36	ı
Denmark (37) Finland 16)	239.24 111.01	-0.2	213.41	213.38	220,46	97.39	-1.4	2.32	112.75	100.10	101.14	103.78	98.80	125.15	90.81	136.52	ı
France (114)	135.81	-1.5 +1.0	99.03 120.97	99.02 120.94	124.95	127.95	+1.3	3.45	134.33	119.25	120.48	123.60	126.27	152.26	121.85	157.09	1
Germany (65)	112.56	+07	100.41	100.41	103.73	103.73	+0.8	218	111,81	99.26	190.30	102.89	102.89	125.35	102.43	127.03	ı
Hong Kong (55)	151.72	+0.5	135.34	135.32	139.81	150.51	+0.5	5.15	150.98	134.03	135,42	138.94	148.79	161.77	118.62	132.47	i
tretand (18)	151.84	-0.7	135.28	135.26	139.74	141.46	-0.8	6.61	152.72	135,58	138.99	140.54	142.37	182.48	182.88	188.39	1
Italy (77)	78.64	-0.7	70.15	70.14	72.47	77.41	-0.3	2.99	79.19	70.31	71.03	72.87	77.86	88.23	72.05	107.62	1
Japan (474)	131.23	+0.8	117.08	117.04	120.94	117.04	+0.2	0.72	130.23	115.61	116.81	118.85	116.81	146.97	118.35	148.29	l
Malaysia (68)		+0.1	210.39	210.35	217.33	252.20	+0.1	2.58	235.54	209.10	211.26	218.74	252.04	247.78	192.83	231,33	ı
Mexico (15)	1054.07	-0.2	940.28	940.14	971.34	3475.25	-0.2	1.85	1056.50	937.94	947.85	972.21	3480.95	1079,72	534.45	533,13	İ
Netherland (31)	137.46	+0.5	122.62	122.60	126,68	125.29	+0.7	4,33	136.60	121,45	12271	125.59	124.47	145.73	125,70	139.30	ı
New Zealend (13)	47.95	-2.4	42,77	42.77	44.18	44.26	-0.4	7,98	49.12	43.60	44.06	45.20	44.45	54.64	41.18	63.85	1
Norway (32)	196.89	-1.0	175.83	175.61	181,44	184.79	-0.7	1.59	198.81	176.50	178,33	182.95	186.12	223.24	182.24	236.64	ı
Singapore (38)	202.38	+0.9	180.53	180.51	186.49	186_10	+0.8	2.01	200.66	178.14	179.99	184.65	164.83	208.25	151.63	208.87	ı
South Africa (61)	225.15	+1.1	200.84	200.81	207.47	182.60	+0.5	3.37	222.61	197.63	199.67	204.84	181.82	225.15	173.00	182.88	ı
Spain (55)	156.84	-0.1	139.91	138.90	144.53	130.11	+0.0	4.10	156.98	139.37	140.81	144,48	130.10	171.12	131.51	160.26	ſ
Sweden (26)	167.62	-0.3	167.36	167,34	172,90	176.78	-0.2	2.51	188.22	167.10	168,83	173.21	,177,15	204,12	145.60	215.57	1
Switzerland (58)	92.51	+0.2	82.52	82.52	85.26	86.80	+0.3	2.21	92.35	81.99	82.84	85.00	86.57	100.67	82.17	103.00	ı
United Kingdom (239)	168.88	+ 0.7	150.65	150.61	165,61	150.65	+1.2	4.87	167.72	148.90	150.43	154.33	148.90	187.44	156.27	168.37	1
USA (525)	154.28	+0.5	137.63	137.61	142.16	154.28	+0.5	3.15	153.47	136,25	137.67	141.23	153.47	168.24	125.95	148.11	ł
Europe (837)	137.72	+0.5	122.85	122.84	128,92	125.08	+0.8	3.80	137.08	121.63	122.94	126.13	124.08	151.62	125.60	148.76	l
Nordic (111)	181.29	-0.4	181.72	181.70	167.07	182,97	-0.2	1.97	182,00	181.57	183.25	157.48	163.25	200.81	155.55	205.10	ı
Pacific Basin (716)	131.83	+0.7	117.60	117.58	121.48	117.94	+0.2	1.09	130.85	116.17	117,37	120.41	117.58	145.92	117.86	147.25	ı
Euro - Pacific (1555)	134.49	+0.6	119.97	119.95	123.93	121.65	+0.5	2.19	133.64	118.64	116.85	122.97	121.09	147.86	121.29	147.44	ı
North America (640)	153,41	+0.5	138.85	136.85	141,40	151,81	+0.5	3.15	152.64	135.51	136.93	140.48	151.08	157.04	125.91	147,50	ı
Europo Ex. UK (598)	118.68	+0.3	105.87	105.88	109.38	110.12	+0.5	3.04	118.29	105.02	108.13	108.88	109.53	129.80	106.85	135.30	ì
Pacific Ex. Japan (244)	137.42	+ 0.5	122.58	122.58	126.64	124.28	+0.4	4.73	138.68	121.34	122.62	125,79	123.74	145.65	111,40	134.19	l
World Ex. US (1748)	136.19	+0.8	121.48	121.47	125.50	122,72	+0.4	2.25	135.34	120.15	121.40	124.55	122.16	145.18	122.32	147,75	ı
World Ex UK (2032)	138.62	+0.8	123.66	123.65	127.76	130.73	+0.4	232	137.83	122.36	123.63	128.84	130.22	145.77	120.08	145.10	ı
World Ex. So. Af. (2210)	140.74	+ 0.8	125.55	125.54	129.70	132,40	+0.5	2.56	139.92	124.22	125.52	128.77	131.78	148.66	122.92	146.49	l
World Ex. Japan (1797)	147.94	+0.5	131.97	181.96	138.35	141.05	+0.8	3.48	147,19	130.67	132.04	135.47	140.21	152.83	126.68	147.36	ĺ
India CV Acheir (1141)	.77.07	1.0.0															I
The World Index (2271)	141.27	+0.8	126.02	126.01	130.19	132.65	+0.5	2.58	140.44	124.68	125.98	129.25	132.08	149.01	123.28	146.71	١

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries